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Daily Report

East Asia

**FBIS-EAS-94-123
Monday
27 June 1994**

Daily Report

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FBIS-EAS-94-123

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27 June 1994

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Japan

Reports on U.S.-Japan Framework Talks Continue

Hata Telephones Clinton

OW2606050594 Tokyo KYODO in English 0437 GMT
26 Jun 94

[Text] Tokyo, June 26 KYODO—Prime Minister Tsutomu Hata telephoned U.S. President Bill Clinton on Sunday [26 June] to assure him that Japan will push ahead with ongoing bilateral framework trade talks, aides said.

"We would like to clear the way (for further progress) through mutual dialogue without allowing the talks to move backward," the outgoing Japanese leader was quoted as telling Clinton.

"I have directed working-level officials to make efforts in that direction," he was quoted as telling Clinton.

Hata also said Japan will not allow the current political impasse to adversely affect its reform efforts, including those for the election system and other political matters, economic issues such as market opening, and administrative reform, the officials said.

On the North Korean nuclear issue, he told Clinton there has been "a step forward" thanks to U.S. efforts and pledged to continue playing a role expected of Tokyo in close cooperation with Washington and Seoul.

The officials quoted Clinton as thanking Hata for giving instructions toward enhancing cooperative relations between the two countries.

The President told him Washington will continue to cooperate closely with Tokyo in resolving the question of Pyongyang's suspected nuclear arms development program, adding he wants progress to be made in the trade talks, the officials said.

Clinton said he was personally impressed by Hata's capability and personality, they added.

Hata made the call to Clinton's presidential retreat at Camp David to brief him on the prime minister's announcement Saturday that he is stepping down to open the way for a stable new government.

Talks Not Tied to Naples Summit

OW2506002694 Tokyo KYODO in English 2334 GMT
24 Jun 94

[Text] Washington, June 24 KYODO—A top White House official indicated Friday [24 June] the United States has no intention of pressing Japan for a settlement of trade disputes prior to the Group of Seven (G-7) Summit meeting at Naples just two weeks away.

"We have discussions going on, and there is a Naples Summit. Those are two interesting but unrelated events," said Robert Rubin, director of the White House National Economic Council.

Officials from the two countries have been negotiating almost continuously over the past month in an effort to mend their strained trade ties, which have roiled financial and currency markets.

They have expressed hope of hammering out a deal prior to the Naples Summit, which is scheduled for July 8-10. The prospect, however, has become murky in view of the political turmoil in Tokyo that has engulfed the minority government of Prime Minister Tsutomu Hata.

Rubin, who briefed reporters on the agenda of the G-7 summit, sought to steer away from any comment on the prospect of a trade agreement with Japan, saying it would "not be fruitful, useful or productive" to comment on prospects while negotiations are in progress.

The so-called "framework" trade negotiations focus on how to measure progress of imports to Japan as part of a Japanese commitment to improve the access of foreign products in the Japanese market.

Rubin, who serves as the top economic aide to President Bill Clinton, also declined to make any comment on the turbulence in the currency markets following a sharp fall of the dollar.

"In our view, we should have a single person commenting (on exchange rates). The single person clearly should be the secretary of treasury," Rubin said.

The currency upheaval, which Clinton described as "puzzling," prompted the monetary authorities of the major industrial countries to launch a massive operation Friday to support the dollar by direct intervention in currency markets.

In a statement that acknowledged the concerted dollar-buying operation, estimated at 2-3 billion dollars, U.S. Treasury Secretary Lloyd Bentsen said the turbulence in currency markets has become a matter of "shared concern" among monetary authorities in the G-7 and other developed countries.

Commenting on the dollar's fall during a trip to Missouri, Clinton said, "this is a development that is puzzling a lot of economists."

Stressing that the U.S. economy "is performing so well," Clinton said that "in a funny way the currency values are running in the opposite direction of economic strength."

Rubin said he expects the G-7 leaders to discuss policy coordination on both macro and microeconomic issues at the Naples Summit but declined to say whether exchange-rate issues will be on the agenda.

The Naples Summit will bring together government leaders from Britain, Canada, France, Germany, Italy, Japan, the U.S. and Russia.

Russian President Boris Yeltsin has been invited to join the G-7 leaders as a "full participant" after the summit leaders complete the economic part of their agenda and move on to political issues, a senior U.S. official said.

'Marathon Round' of Auto Talks

*OW2506022494 Tokyo KYODO in English 0216 GMT
25 Jun 94*

[Text] Washington, June 24 KYODO—Officials from Japan and the United States began Friday what is expected to be a marathon round of talks on automobile trade issues.

A Japanese official said that in a "worst case scenario," the two sides would find themselves talking to each other right before a summit meeting Prime Minister Tsutomu Hata was scheduled to hold with President Bill Clinton on July 8 in Naples.

In Tokyo on Saturday morning Japan time, Hata reportedly decided to step down together with his ministers.

Japanese officials say both sides have shown little willingness to bend on "matters of principle" involving the issue of how to measure progress of foreign access into the Japanese market, the biggest roadblock in the year-old "framework" trade negotiations.

The auto trade talks—one of the four priority "baskets" in the framework accord the two countries concluded during last year's G-7 summit in Tokyo—are intended to boost the sale of foreign automobiles in Japan as well as the sale of foreign auto parts to Japanese automakers, both in Japan and in the U.S.

According to Japanese officials, the U.S. negotiators are still insisting on what appears to be sales targets of a "numerical nature" for determining how successfully foreign auto firms are doing in Japan.

"This is something we cannot accept, as a matter of principle," a Japanese official said.

U.S. officials, meanwhile, could not be reached for comment.

Japanese officials alluded to the necessity of "political decision" to break the logjam, but the prospect appears unlikely in view of political uncertainties surrounding the minority Hata government.

The trade talks, between working-level officials from the two governments, are scheduled to grind on through the weekend.

On Monday, Sozaburo Okamatsu, vice minister of international trade and industry for international affairs, will join his U.S. counterpart, Undersecretary of Commerce Jeffrey Garten, to explore the possibilities for a breakthrough.

Okamatsu and Garten will address "more critical issues," a Japanese official said.

Japanese officials say there is no schedule on how long the talks next week in Washington will last.

"Presumably, if the worse comes to worst, we might find ourselves around until right before the summit," the official said.

Impact on Summit Assessed

*OW2406142494 Tokyo KYODO in English 1403 GMT
24 Jun 94*

[Text] Tokyo, June 24 KYODO—Slow progress in the "framework" trade talks between Japan and the United States will have little impact on the planned meeting of the two nations' leaders, a ranking official at Japan's trade ministry said Friday.

"It was agreed when we resumed the talks that no deadline should be set for the negotiations," said the International Trade and Industry Ministry official.

The two countries are at the negotiation table to establish a new "framework" for bilateral trade, with the priority on three areas—automobile and auto parts, government procurement of telecommunications equipment and medical equipment, and insurance.

The talks, which started last summer, ran into a deadlock in February but resumed in May.

The MITI official said Sozaburo Okamatsu, trade vice minister for international affairs, will have talks with Jeffrey Garten, U.S. undersecretary of commerce, for a few days from next Monday.

They are expected to discuss whether the discussions will remain incomplete at the time of the Japan-U.S. summit meeting, the official said.

Japanese Prime Minister Tsutomu Hata and U.S. President Bill Clinton are scheduled to hold talks in Naples prior to the July 8-10 annual summit of the Group of Seven (G-7) industrialized nations.

Negotiators in the framework talks have reached partial agreement on the automotive area, such as on a proposal to set up a third-party organization to evaluate the effects of Japan's market-opening measures.

But the two sides are still far apart on the so-called "objective criteria" by which to gauge foreign access to the Japanese market.

The MITI official said neither side is striving for a "partial agreement" in order merely to show progress before the Japan-U.S. summit.

The official said the issue of government procurement, on which working-level talks are scheduled for next week, is supposedly the area in which negotiations are showing the most progress.

Reports on Issues Related to Hata Resignation**Hata Announces Cabinet Resignation**

*OW2506061294 Tokyo NHK General Television
Network in Japanese 0220 GMT 25 Jun 94*

[Statement by Prime Minister Tsutomu Hata given at a news conference at the prime minister's residence in Tokyo—live]

[Text] I have decided to resign today. Due to regrettable circumstances, this cabinet had no choice but to set sail as a minority coalition government. Though situations at home and abroad have been turbulent, we have put our energy into political reform and cooperation, and have challenged important tasks head-on. It has been of short duration. But we have acted on the 1994 budget—in a record short time—with the cooperation of both ruling and opposition parties. We have made preparations for implementation of the political reform-related laws; and we have tackled with sincerity such difficult issues as deregulation, economic reform, Japan-U.S. economic framework talks, and suspected North Korean nuclear programs.

With a society of aged soon to arrive, we have to make difficult decisions, and we have made appeals to the public in this regard. We have frankly explained the need for drastic tax reform in view of growing education costs and other living costs for the average population. I am sure that government efforts in these areas have earned the people's support.

I would like to thank the people of the nation once again for the understanding and cooperation they have given.

We are now at the crucial point of time in dealing with various reform programs, such as the implementation of the political reform-related laws that can begin with the legislation of a bill for electoral district zoning.

To help the economy make a prompt and steady recovery, the 1994 budget, which was recently passed, needs to be implemented without loss of time. That action, along with the unemployment question, is considered important even by other nations.

There are so many things going on at home and abroad. The Naples Summit is another important event. We have to see what the so-called Group of 7 industrialized nations and Russia will want to do at the summit.

When we think about these matters, I realize we must not let another political vacuum occur. We remember that there was a blank of 20 days after the Hosokawa Cabinet resigned. It is now time when the government must do all it can to tackle and take care of all those issues. As such, I feel it very regrettable that a no-confidence motion against the cabinet was introduced at such a time.

But we realize that the government is a minority government. With so many important issues to be tackled, we have come to see it is necessary to establish a new and stable government. That indeed is the most important task right now.

From this perspective and from the viewpoint of enabling the reform to go on, I have decided to resign as prime minister. I think I should follow a Diet decision. Dissolving the lower house could be an alternative. However, that alternative will result in a vacuum that will last more than a month. I believe that situation should be avoided under the given conditions.

There are so many things to be done at home and abroad. I strongly hope that a new government will be able to overcome all these difficulties, complete political reform efforts, and take constructive actions on other pending matters.

In living as a politician so far, I have been a man who has tried to solve problems, thinking I should sacrifice myself if necessary. The targets or programs I am after now may be numerous, but I feel I again contribute to Japan in this regard, by sacrificing myself here. That is how I have come to this decision.

I may be leaving the government. Mr. Shizuo Inaba, my mentor who so earnestly called for reform in this country, wrote me when I was named prime minister: Mind should be as firm as a rock.

It is with this resolve that I and my colleagues will try to answer the call for political and other reforms. We will do everything possible and give up everything to do so.

What I want to say in conclusion is that it is now time for us—the existing group [kiseiso] of politicians—to leave [the political scene]. If the present kind of condition continues in this nation, there is no doubt distrust in politics will only grow. We began our endeavors for the political reform to remove the people's distrust in politics, but to our regret, the people of this nation are further distancing themselves from politics.

We should stop all the political fights, and stop fighting for power. We must really think about the nation and the Japanese people, the given national situation, and other countries' expectations of Japan. We must think about these points and respond to the expectations.

I sincerely hope that all of you who will face the tasks will deal with and solve them from this perspective of what we should do about Japan and what Japan should do in this world.

Once again, I would like to thank all the people of the nation and all of you [reporters] for support and cooperation given to me in the past.

Hata Holds News Conference

*OW2506103494 Tokyo NHK General Television
Network in Japanese 0229 GMT 25 Jun 94*

[News conference by Prime Minister Tsutomu Hata with unidentified domestic correspondents at the prime minister's official residence in Tokyo—live]

[Text] [Dean of the Press Corps] I would like ask you some questions. Mr. Prime Minister, if your cabinet resigns en masse, political parties will move toward nominating a candidate for prime minister. Do you intend to become prime minister again? In your opening statement, you referred to a new government framework and said you would aim for a new government formed by political parties sharing the same policies. Do you think the Social Democratic Party of Japan [SDPJ] should return to the ruling coalition?

[Hata] Regarding your first question, I think the question of whether or not I seek the premiership again should be left to the Diet. I will follow the Diet's judgment. As far as I am concerned, I am at zero. A way can start from there. Hence, I am not thinking about it at all. As for the new government, I hope the SDPJ will break with its status as an opposition party. I also hope the SDPJ will become a responsible political party and play its part in Japan's politics. I have wanted this since the Hosokawa government's inauguration and the last generation election was held. During the two months of my cabinet, I strongly urged the SDPJ to return to the coalition government and share the responsibility of running it. As I have just stated, I will leave the question of whether or not I seek the premiership again to the Diet. I hope everyone will think seriously about their country's future.

[Dean of the Press Corps] In your opening statement, you referred to a political vacuum on the eve of summit talks with the United States and the summit [G-7 Naples summit]. If the prime minister is replaced, Japan will be unable to avoid stagnation in politics and national strength. Mr. Prime Minister, you once stated that you considered dissolving the House of Representatives so Japan could avoid such a situation. Mr. Prime Minister, if a general resignation by the cabinet creates such a situation, how will you take responsibility for it?

[Hata] Japan was forced to host the summit [G-7 Tokyo summit] last year while the House of Representatives remained dissolved following the Miyazawa cabinet's defeat in a no-confidence vote in the Diet. If the House of Representatives is dissolved, no one knows for sure how the political situation will develop. I do not believe the House of Representatives' dissolution is a responsible act, and therefore, have decided not to do so. I once thought doing so would change public opinion by causing it to seek confidence in my cabinet. But no one knows what would result in the House of Representatives's dissolution. I want to avoid that based on the thinking that would lead to a loss of trust in Japan.

[Unidentified correspondent] Mr. Prime Minister, you held long talks with Mr. Ozawa [Shinseito (Japan Renewal Party) secretary general], which began last night and lasted until this morning. Did you and Mr. Ozawa discuss the possibility of dissolving the House of Representatives?

[Hata] We did not discuss such a possibility. What I have always said is that Japan's politics must be reformed. The centerpiece for political reform is the reform of the current electoral system. I have also said the current electoral system must be reformed to build a new political system wherein real political debates are held. The House of Representatives should not be resolved to reform the current electoral system. Given the economic situation and a host of issues facing Japan, the House of Representatives' dissolution should be avoided. I have also said I would not renounce my power to dissolve the House of Representatives under any circumstances when my cabinet clashes with the Diet.

[Hata continues] After seriously considering the situation, I held consultations with representatives from each of the parties of the coalition—rather than saying I talked with Mr. Ozawa alone. We discussed what we should do to create a stabilized government, but eventually, during the course of our discussions, I came to the conclusion that the House of Representative's dissolution should be avoided. Since the no-confidence motion had been submitted, I decided to sum up my conclusions. I wanted to avoid a political vacuum at any cost.

[Unidentified reporter] Mr. Prime Minister, in general, when a cabinet is dissolved, in view of regular constitutional government procedures, it is natural to hand over power to the largest opposition party. What do you think of this?

[Hata] If we give power to the LDP, that will mean another minority government. It will be similar to my cabinet, which has been criticized for being a minority government. Unfortunately, there is no party in the Diet that has a majority of seats. For this reason, I do not think power should be given to the first opposition party. Rather than giving power to the opposition, the issue should be left to the Diet's judgment so that the people will be able to see how politics work. As has been pointed out, since the people cannot see what is going on in Japan's politics or the obstacles facing it, the matter should be left to the Diet—some say it is quite difficult to translate the word "yudan-eru" [verb, leave or entrust]—and follow the Diet's judgment.

[Unidentified reporter] The no-confidence motion has been submitted. What was the underlying reason for your cabinet's resignation, even before a vote on the no-confidence motion was taken?

[Hata] If we accept the vote on the no-confidence motion, we must have the power to reject the motion, or at least, to make efforts to reject it. However, since my cabinet is a minority government, it is very difficult to reject the motion with our current power. We can no longer spend the time needed for a vote. It will also take much time to create the next government. We should avoid spending such time. For this reason, I have decided to take action before a vote is taken.

[Dean of Press Corps] The last question please.

[Unidentified reporter] Mr. Prime Minister, you stated it is time to put an end to political strife. There is no persuasive force in what you said because you yourself used to get involved in political strife when you were an LDP member. What is your opinion on this?

[Hata] I would like you to review my 25 year political career. I have always thought of nothing but the nation. During the so-called 40-day strife within the LDP, wherein such influential leaders as Eiichi Nishimura, Susumu Nikaido, Shin Kanemaru, and Noboru Takeshita, were involved, I refuted them, saying that what they were thinking was unclear to the people. I then personally told them that I would take new action. What happened at that time is widely known. Moreover, I have repeatedly said

that it is necessary to take the initiative in managing the government. I am a man who has never acted to seek his own authority or higher gain. If you check the details of my political career over the past 20 years, you will understand what I have done. I am sorry I cannot explain these things now, but I do want you to review what I have done.

[Unidentified reporter] Mr. Prime Minister, you said at a press conference yesterday that you leave the matter of negotiations between the ruling parties and the SDPJ. But now you have announced your cabinet's dissolution before letting us know what went on at the meeting between the ruling parties and the SDPJ. Can we take your announcement as a full acceptance of Mr. Murayama's call for a voluntary resignation?

[Hata] In a meeting with the SDPJ—I do not remember clearly what time it was—there were no big differences in policy matters. But on other issues, we failed to reach an agreement at the meeting—I think it was around 0400 or 0500 PM. Given the situation, the ruling coalition presented our policy accord proposal to each party. This time, however, each party still had doubts as to the direction the situation would go, even though the no-confidence motion had been submitted. Under such circumstances, it was impossible to bring negotiations with the SDPJ to a successful conclusion. Prolonging such a situation is not good for the people, and therefore, I chose to dissolve my cabinet en masse. I strongly hope the other parties will understand my true intentions. I have made a decision not to comply with somebody's intention but to avoid a political vacuum. Pursuing the SDPJ's cause of breakup from the coalition will eventually lead to a political vacuum. I came to the conclusion that the Diet's judgment should be followed, and I made the decision. It's time to end. Thank you very much.

Resignation To Break Impasse

OW2506035394 Tokyo KYODO in English 0332 GMT
25 Jun 94

[Text] Tokyo, June 25 KYODO—Prime minister Tsutomu Hata announced Saturday [25 June] he will disband his two-month-old cabinet to break the current impasse in Japanese politics.

"I will resign with my cabinet en masse today," the prime minister told a hastily convened news conference at his official residence.

Hata, 58, said his decision to give up the premiership is based on his firm belief that a "political vacuum" should be avoided as Japan faces a host of domestic and international challenges.

The resignation of the Hata Cabinet was to be approved at an emergency cabinet meeting which got under way immediately following the announcement.

The decision to disband the two-month-old minority coalition government was taken just hours before the House of Representatives was to convene a plenary session to vote on a no-confidence motion submitted by the No. 1 opposition Liberal Democratic Party (LDP).

"It is an urgent task to form a stable government. We will entrust the formation of a new government to the will of the Diet," Hata told the press conference.

"If the lower house is dissolved, there will arise a political vacuum and it becomes impossible to tide over the yen's appreciation and other problems," he said. "I want to avoid a political vacuum by every means."

The decision on resignation en bloc was made at a meeting of coalition leaders earlier in the day and it was agreed to allow the two largest parties, the LDP and the Social Democratic Party (SDP), both in the opposition camp, to form a new government, coalition sources said.

SDP Secretary General Wataru Kubo said the development was what his party has demanded, adding it will seek to forge a third coalition government.

Coalition and SDP leaders failed to bridge their policy gap in two days of on-and-off realiance talks.

The Hata government was formed in April after its predecessor, headed by Morihiro Hosokawa, collapsed in a dispute over the former prime minister's alleged shady financial dealings.

The SDP, partner in the Hosokawa coalition that ousted the LDP from power after 38 years of uninterrupted rule, left the ruling alliance after Hosokawa quit.

The no-confidence motion that was threatening to scuttle the Hata administration was widely expected to clear the 511-seat lower house with the backing of the LDP and the Japanese Communist Party, which jointly command a parliamentary strength of 221 votes, and some other parties.

Hata Resigns To Avoid Problems

OW2506061094 Tokyo KYODO in English 0603 GMT
25 Jun 94

[Text] Tokyo, June 25 KYODO—Prime Minister Tsutomu Hata resigned on Saturday [25 June] together with his cabinet ministers in lieu of calling a snap general election and creating a political vacuum at a time when Japan faces a number of formidable challenges.

"I will resign with my cabinet en masse today," the premier said at a hurriedly convened news conference at his official residence.

"It is an urgent task to form a stable government. We will entrust the formation of a new government to the will of the Diet," Hata said.

The 58-year-old Hata said he decided to give up the premiership because he wished to avoid contesting a general poll for the House of Representatives and creating a political vacuum before this year's summit of the Group of Seven (G-7) major industrialized nations.

"If the lower house is dissolved, there will arise a political vacuum and it becomes impossible to tide over the yen's appreciation and other problems," he said. "I want to avoid a political vacuum by every means."

Hata's two-month-old cabinet formally resigned en masse after the premier's announcement of his intention to step down, but Hata and his cabinet will stay on board until the Diet picks the next prime minister.

Hata reached the decision to disband the minority coalition government shortly before the lower house was to convene a plenary session to vote on a no-confidence motion filed by the primary opposition Liberal Democratic Party (LDP).

The no-confidence motion was expected to clear the 511-member lower chamber after negotiations failed between the ruling coalition and the Social Democratic Party (SDP), a former coalition member, to form a new government.

The socialists, the largest contingent in the last Prime Minister Morihiro Hosokawa's government who walked out of the coalition in April, also had threatened to submit its own no-confidence motion.

Hata acknowledged he thought it difficult for his minority government to vote down the motion and opted to disband his cabinet before the motion was put to a floor vote.

During days of negotiations between the coalition and the SDP, the socialists sought as a prerequisite for their return to the ruling union the mass resignation of the Hata Cabinet on a voluntary basis.

SDP Secretary General Wataru Kubo said the development was what his party had demanded, adding it will seek to forge a third coalition government.

Hata expressed hope the SDP will develop into a new party that takes responsible action in Japanese politics, not as a mere opposition party.

Meanwhile, LDP Secretary General Yoshiro Mori expressed hope his party will play a central role in a new government on the grounds that the LDP is the largest single party in the Diet.

"As long as Hata said he will leave the issue of forming a new administration to the will of the Diet, we have to govern as the No. 1 party," Mori told reporters.

The LDP lost power last summer for the first time in 38 years after failing to secure a majority in the lower house in a general election.

Following Hata's resignation, the lower house decided to hold a plenary session at 1 p.m. Monday, where the next premier can be selected at the earliest.

The current 150-day ordinary session of the Diet is scheduled to end next Wednesday.

Hata Telephones ROK's Kim

OW2506111994 Tokyo KYODO in English 1049 GMT 25 Jun 94

[Text] Tokyo, June 25 KYODO—Outgoing Prime Minister Tsutomu Hata on Saturday briefed South Korean President Kim Yong-sam on his resignation along with his cabinet ministers, a Foreign Ministry official said.

Hata, who announced the resignation of his entire cabinet Saturday morning, telephoned Kim and expressed his hope to visit South Korea and meet with Kim some day, the official said.

During the 15-minute conversation, the premier expressed confidence his departure would not hurt relations between Japan and South Korea, the official said.

Hata disbanded his two-month-old minority government to avoid certain defeat in a no-confidence vote, as well as a snap general election and political vacuum that would follow.

Kim, thanking Hata for his telephone call, was quoted as saying he is willing to meet with Hata any time to compare notes on a wide range of issues.

The South Korean president also reportedly voiced his desire to further strengthen bilateral ties with Japan.

To defuse the standoff over North Korea's alleged push for nuclear arms, Hata and Kim agreed on the need to realize a summit meeting between the leaders of North and South Korea and resume the third round of talks between North Korea and the United States on Pyongyang's nuclear program, the official said.

Hata's ROK Trip Canceled

OW2706100794 Tokyo KYODO in English 0955 GMT 27 Jun 94

[Text] Tokyo, June 27 KYODO—Prime Minister Tsutomu Hata's planned visit to South Korea for talks with President Kim Yong-sam has been canceled following the resignation of the Hata cabinet over the weekend, a senior Foreign Ministry official said Monday [26 June].

The Japanese Government has already informed the South Korean Government of the cancellation, Vice Foreign Minister Kunihiko Saito said at a news conference.

Hata was scheduled to meet Kim in South Korea in early July to discuss the North Korean nuclear issue.

The two leaders were also expected to discuss the upcoming summit meeting of Group of Seven industrialized countries in Naples, Italy, from July 8 to 10.

Saito said the Foreign Ministry hopes summit talks between the new Japanese prime minister and Kim will be realized soon.

U.S. Regrets Hata's Resignation

OW2606013394 Tokyo KYODO in English 0104 GMT 26 Jun 94

[Text] Washington, June 25 KYODO—The administration of President Bill Clinton expressed regret Saturday [25 June] over Japanese Prime Minister Tsutomu Hata's announcement of resignation but said Washington will maintain a close working relationship with Tokyo.

"We regret the decision," White House Spokeswoman Dee Dee Myers said in a statement, referring to the disbandment of the two-month-old minority government earlier in the day.

"President Clinton and Prime Minister Hata enjoyed a good working relationship," Myers said. "The United States will continue to work closely with the government of Japan as only allies and friends can at a moment of political change."

Hata's Cabinet resigned en bloc to pave the way for a new coalition with majority support rather than calling a snap general election.

Hata will stay in office at the head of a caretaker administration until a new government is formed.

Tax Reform Not Affected

*OW2506055194 Tokyo KYODO in English 0544 GMT
25 Jun 94*

[Text] Tokyo, June 25 KYODO—Finance Minister Hirohisa Fujii said Saturday [25 June] the current tax reform policy will not change even with the resignation of the cabinet of Prime Minister Tsutomu Hata.

Fujii told a press conference held immediately after the cabinet resigned that he expects the succeeding administration will continue to seek a higher consumption tax and lower income taxes, so as to prepare for the aging society.

He said he hoped the final draft on the issue will be compiled as soon as possible in line with earlier plans to create a final version by the end of June.

Hata gave up his two-month-old cabinet just hours before the House of Representatives was to convene to vote on a no-confidence motion against his administration.

Fujii acknowledged the political turmoil will not be good for the economy which is trying to crawl out of the recession.

Meanwhile, Chief Cabinet Secretary Hiroshi Kumagai told reporters that the tax issue is already the next administration's problem.

But Kumagai said the present administration is willing to wrap up the deregulation plan, which is expected to be unveiled next Tuesday in line with the March market-access program.

MITI on Impact on Trade Talks

*OW2506054694 Tokyo KYODO in English 0510 GMT
25 Jun 94*

[Text] Tokyo, June 25 KYODO—Trade Minister Eijiro Hata expressed the hope Saturday [25 June] that the political vacuum following the resignation of Prime Minister Tsutomu Hata's Cabinet will not affect ongoing Japan-U.S. negotiations for a new framework for bilateral trade.

Prime Minister Tsutomu Hata, who came to power only two months ago, decided to resign with his cabinet en masse Saturday only a few hours before the House of

Representatives was to vote on a no-confidence motion submitted by the opposition Liberal Democratic Party.

The minister of international trade and industry told reporters after the extraordinary cabinet meeting to decide on the resignation that a psychological impact on the Japan-U.S. trade talks is unavoidable.

He expressed hope that a new cabinet will be formed as soon as possible to tackle the issue, adding that a broad policy accord has already been reached and the basic approach toward the conclusion of the talks will not change.

He said a package of economic deregulation measures to be completed by the government toward the end of the month will be carried out as scheduled.

Business Leaders Welcome Move

*OW2506112494 Tokyo KYODO in English 1046 GMT
25 Jun 94*

[Text] Tokyo, June 25 KYODO—Japanese business leaders Saturday welcomed prime minister Tsutomu Hata's decision to disband his two-month-old cabinet en masse in an effort to avoid a political vacuum which would have occurred in the event of a general election.

"That was the best decision that Mr. Hata could make" just half an hour before the House of Representatives was to have voted on a no-confidence motion against his cabinet, said Shoichiro Toyoda, chairman of the powerful Federation of Economic Organizations (Keidanren).

Citing many difficult problems facing Japan ahead of the July 8-10 summit of the Group of Seven (G-7) economic powers in Naples, Takeshi Nagano, president of the Japan Federation of Employers' Associations (Nikkeiren) said, "The Diet should elect a new prime minister to carry forward upcoming political reform policies without taking any retracting steps."

"A general election would create a political vacuum for almost one month. That would be a worst scenario for Japan, which is only just beginning to see some signs of economic recovery," Hiroshi Saito, chairman of Nippon Steel Corp., said, expressing his relief.

Kosaku Inaba, chief of the Japan Chamber of Commerce and Industry, another influential business group, said, "A new government is required to make utmost efforts to salvage the ailing economy and promote administrative and tax reforms."

But Makoto Murata, head of the Japan Petrochemical Industry Association, voiced his perplexity over the ongoing political uncertainty, which he said would have adverse effects on currency and stock markets and on business activities.

Shinseito Official on Hata Resignation

OW2506152694 Tokyo NHK General Television Network in Japanese 0318 GMT 25 Jun 94

[Announcer-read report: from "NHK News" program]

[Interview with Kozo Watanabe, acting secretary general of Shinseito, Japan Renewal Party, by unidentified NHK reporter at the Shinseito headquarters in Tokyo—live via satellite; from the "NHK News" program]

[Text] [NHK] What do you think of Prime Minister Hata's decision on the general resignation of his cabinet?

[Watanabe] I shed tears of regret. Mr. Hata has stressed the need to push for political reform. He has asserted that politicians must practice politics not for themselves, but for the people, and they must place importance on the people over themselves. This is a political belief that he has held for the 25 years of his career as a politician. Given his political belief, it is natural for him to make that decision.

[NHK] I would like to ask you how the ruling coalition parties plan to form a new coalition government after the Hata cabinet resigns en masse. Will the ruling coalition parties resume talks with the opposition Social Democratic Party of Japan [SDPJ] to discuss the SDPJ's return to the ruling coalition?

[Watanabe] The ruling coalition parties are continuing talks with the SDPJ. The SDPJ's biggest demand is that the Hata cabinet must resign en masse and then new political forces must be rallied to form a new coalition government. The SDPJ and the ruling coalition parties formed the Hosokawa government with the aim of preparing Japan for the 21st century. The SDPJ voted for Mr. Hata as prime minister in both houses of the Diet. The SDPJ did not join the Hata cabinet for certain reasons. I have confidence that the ruling coalition parties will continue talks with the SDPJ about how to form a new coalition government in order not to set Japan's politics back.

[NHK] How about the possibility of the ruling coalition parties forging a coalition with the opposition Liberal Democratic Party?

[Watanabe] In the news conference that was held just a while ago, Prime Minister Hata stated: The industrial nations' summit draws nearer. Political parties should not think only of their interests and should place top priority on the people over themselves. I hope that the next government will be formed in tune with the will of the Diet.

Shinseito Leader: Hata As Next Prime Minister

OW2506155194 Tokyo NHK General Television Network in Japanese 0326 GMT 25 Jun 94

[Announcer-read report; from "NHK News" program]

[Text] Commenting on Prime Minister Hata's announcement that his cabinet will resign en masse, a senior member of Shinseito [Japan Renewal Party] told a group of reporters this morning that Prime Minister Hata will be

re-elected by 100 percent as prime minister and the opposition Social Democratic Party of Japan [SDPJ] will return 100 percent to the ruling coalition. In this way, he predicts that Prime Minister Hata will be re-elected at the end of talks between the ruling coalition parties and the SDPJ.

Ozawa Denies Scenario of Hata Returning to Power

OW2606120694 Tokyo KYODO in English 1152 GMT 26 Jun 94

[Text] Tokyo, June 26 KYODO—The primary strategist of the ruling coalition, Ichiro Ozawa, on Sunday [26 June] denied the possibility that Prime Minister Tsutomu Hata will return to power.

"A result that derails common sense is not to be expected," Ozawa told reporters.

Hata and his cabinet ministers resigned en masse Saturday prior to a possible defeat in a no-confidence vote against his cabinet tabled by the Liberal Democratic Party (LDP), the largest opposition party.

Earlier Sunday, another key coalition figure Yuichi Ichikawa, secretary general of Komeito [Clean Government Party], also said "I don't think Mr. Hata will become prime minister again and he himself probably thinks similarly."

Ozawa said it would be natural to extend the term of the current 150-day regular Diet session, which closes on Wednesday, if the Diet fails to nominate a new prime minister.

Ozawa, secretary general of Hata's Shinseito [Japan Renewal Party], also urged the LDP and the Social Democratic Party (SDP), the No. 2 opposition bloc, to offer their own vision of a new government to succeed Hata's minority coalition administration.

"Both the LDP and the SDP should put to the people their blueprints for establishing the next government because it is they who pressed the Hata cabinet to resign... We will wait for those blueprints," Ozawa said.

Ozawa said the resignation of Hata and his cabinet was not intended to meet the SDP's demand that the cabinet resign voluntarily as a prerequisite for its rejoining the coalition.

Shinseito's Watanabe on Political Strategy

OW2706065094

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0109 GMT on 26 June, during its regular "Sunday Discussion" program carries a live interview with Kozo Watanabe, deputy secretary general of Shinseito [Japan Renewal Party] from the NHK studio in Tokyo. Watanabe is interviewed by Takashi Yamamoto, NHK commentator, and Naoki Tanaka, noted economic commentator.

Asked by Yamamoto to comment on Prime Minister Tsutomu Hata's resignation, Watanabe says it was an inevitable choice by the minority government. He explains that at the moment, the coalition parties would rather take a wait-and-see attitude on how the Liberal Democratic Party [LDP] and Social Democratic Party of Japan [SDPJ] will react, and would not actively seek to regain political power.

Answering Tanaka's question on what caused the failure of the Hata administration, while Watanabe admits that the issue of the "Kaishin" group was not handled properly, he emphasizes that the administration as a whole, and Hata personally, were not at fault, and even claims that the resignation itself "has not damaged Mr. Hata's reputation in any way."

However, when asked by Yamamoto if Shinseito is actually expecting Hata to be reelected as prime minister, Watanabe denies this, saying the sole reason behind the resignation was Hata's desire not to create a political vacuum when the Naples Summit is held in July, as in the case of the summit last year. He also stresses the importance of talking with the SDPJ at this point.

As to Shinseito's strategy in dealing with the present political situation, Watanabe refuses to go into detail, saying Shinseito will decide on this after looking at how the LDP and SDPJ react. He expresses a willingness to talk with all political parties, except the Japan Communist Party. He also denies reports that Shinseito actually wants to form an alliance with certain forces both in the LDP and SDPJ to effect a general reconfiguration of political forces immediately. However, he does not deny political realignment is a future goal if Shinseito and the other coalition parties become the opposition, and a general election is held.

Turning to the possibility of forming an alliance with rebellious LDP and SDPJ members to form a new majority government, Watanabe replies indirectly: "In politics, it is important for people who have similar political ideals and policy concepts to work together. I believe many SDPJ members seriously want to promote political reform and to create politics for a new era. There are also such people in the LDP. I think it is important to form a new political force for the next era with such people."

Asked by Tanaka if such an alliance is likely to materialize before the next prime minister is elected, Watanabe admits that the present situation is such that no one can tell what will happen next. However, he terms the present confusion as labor pains preceding the birth of new political norms.

The interview ends at 1020 GMT.

LDP Holding 'Emergency' Meeting on New Government

OW2506110994 Tokyo NHK General Television Network in Japanese 0310 GMT 25 Jun 4

[Announcer-read report: from "NHK News" program]

[Text] In response to the Hata cabinet's resignation, the opposition Liberal Democratic Party [LDP] is now holding an emergency executive meeting to discuss ways to form a new coalition government. The LDP forced the Hata cabinet to resign en masse by submitting a no-confidence motion to the Diet, claiming the Hata cabinet was a minority government that did not represent the people's will. The LDP is taking the Hata cabinet's resignation as a matter of course. Asserting that it would like to form a stable coalition government with other political parties, the LDP intends to discuss ways to form a new coalition government with the other parties.

Speaking with a group of reporters this morning, LDP Secretary General Mori said Prime Minister Hata had said he would leave the formation of the next government to the Diet, and being the largest party, the LDP will call on other parties to cooperate with it in doing so.

While some LDP members would like to create an alliance with the opposition Social Democratic Party of Japan [SDPJ] in forming the next government, former Foreign Minister Watanabe is asserting the framework of the next government must be based on policies, indicating his caution about the LDP forging an alliance with the SDPJ. The LDP is expected to be divided over how to construct the next government's framework.

LDP Proposes Policy Guidelines

OW2506120894 Tokyo KYODO in English 1147 GMT 25 Jun 94

[Text] Tokyo, June 25 KYODO—The Liberal Democratic Party (LDP) proposed to the Social Democratic Party (SDP) [SDPJ—of Japan] Saturday [25 June] its version of policy guidelines for a new government that would succeed the administration of Prime Minister Tsutomu Hata.

LDP President Yohei Kono and Ryutaro Hashimoto, chief of the party's Policy Research Council, met with SDP chairman Tomiichi Murayama and presented him with the policy draft that the LDP drew up in an attempt to forge a new coalition to replace the Hata cabinet which stepped down en masse Saturday morning, party sources said.

The LDP, which dominated Japan's politics for 38 years, became the primary opposition party last August after it failed to retain a majority in the Diet following the July elections of the powerful House of Representatives.

LDP officials said the LDP, still Japan's largest political party, also presented its policy draft to Hata's Shinseito [Japan Renewal Party], Komeito [Clean Government Party] and other parties.

The SDP, which was a leading bloc in the administration of Morihiro Hosokawa, Hata's predecessor, abandoned the coalition in April to become the second-largest opposition party after a feud with its coalition partners over a new intraparlimentary group excluding the SDP.

The LDP's policy proposals are made up of seven points—political reform, administrative reform, foreign affairs and

national security, economic measures, social welfare, agriculture and education, the sources said.

The draft proposals spelled out that a new government will eradicate the exclusivity and selfishness in the decision-making process, the sources said.

Concerning North Korea's suspected nuclear program, the draft proposals said that Japan will make efforts to resolve the issue peacefully through cooperation with the United States, China, South Korea and Russia under the flag of the United Nations.

The policy proposals did not refer to "emergency legislation" to deal with crises, which has divided the political parties, but mildly said the government will take as many steps as it can to manage the country's security, they said.

The LDP has also pledged to take steps to ride out Japan's prolonged economic slump and help reduce Japan's huge current account surplus.

The ruling coalition parties, meanwhile, agreed Saturday that they will cease reconciliation talks with the SDP and see how the LDP, as the leading opposition party, will move to form a new government, coalition officials said.

LDP's Mori Discusses Politics, Policies

OW2606075794 Tokyo FNN Television Network in Japanese 2238 GMT 25 Jun 94

[Editorial Report] Tokyo FNN Television Network in Japanese at 2238 GMT on 25 June during its weekly "News 2001" program, carries a live 19-minute interview with Yoshiro Mori, Liberal Democratic Party (LDP) secretary general, by FNN announcers Yuji Kuroiwa and Megumi Seki, political commentator Kenichi Takemura, and Keio University Professor Yoshiaki Kobayashi at the FNN studio in Tokyo.

When asked about the LDP's strategy for taking power and the possibility of the LDP allying with the Social Democratic Party of Japan (SDPJ), Mori says: "It is important for the LDP to hold talks with various parties from now on. Although the LDP does not intend to take an arrogant attitude, the fact is, that although the LDP did not win a majority, it did win a large number of votes in the (House of Representatives) election last year. In this sense, it is very important to establish an administration that reflects the people's will." Noting the LDP has been making efforts to reform itself and that the party is responsible for managing politics, Mori says: "We would like to hold talks with various parties to seek their understanding." He adds that the LDP may not start discussion with the coalition immediately because of a 25 June meeting, during which Komeito (Clean Government Party) Secretary General Ichikawa told him that the coalition wanted to cautiously watch the situation for the time being.

At 2242 GMT, Kuroiwa asks whether or not the LDP will put forward party president Yohei Kono as a candidate for the next prime minister. Mori replies: "As Mr. Kono is the LDP president, our party intends to field him in the premiership election. However, several cards will be

revealed during talks (with other parties). Even if the LDP insists on the LDP card, others may not agree to it. In this case, it cannot be helped." The program then shows a brief recorded comment by LDP member Takeshi Noda, who stresses the need to establish an administration headed by LDP President Kono. Mori says the best thing for the LDP to do is to form an administration headed by the LDP, and adds it is also important for the party to participate in an administration. Asked about the possibility of forming an LDP-SDPJ-Sakigake (Harbinger) coalition and the possibility of Sakigake Representative Masayoshi Takemura running for prime minister, Mori says: "One option is that various parties will reach a consensus on a decision." Reviewing the past LDP structure, Mori says the LDP is now changing itself.

Asked whether the next administration will be a full-fledged one or an interim one for dealing with the current situation, Mori says: "We should not seek an interim administration." On the possibility of the lower house's dissolution and a general election, he says Mr. Hata's decision to resign (to avoid a lower house dissolution) was right because a political vacuum would affect the economy. He adds it is necessary to convene an extraordinary Diet session this fall to enact political reform-related bills, including the redistricting bill, to further promote political reform.

At 2249 GMT, Takao Iwami, a MAINICHI SHIMBUN special editorial adviser, phones in from a Shibuya hotel to give his view on the LDP stance, stating the LDP lacks a strong eagerness to take power.

At 2250 GMT, Kuroiwa points out the ambiguity of LDP policies toward taking power. Mori says: "I do not think there are large differences among various parties on policies, especially domestic affairs. It is important to leave room for discussions with other parties." Discussing the consumption tax hike, Mori says it is necessary to seek public understanding on the issue. But, he adds: "I think the consumption tax hike should be avoided at the present in view of the current economic situation." He says it is necessary to promote administrative reform by 2010, while working with our welfare policies.

The interview with Mori concludes at 2257 GMT.

LDP's Kono on Political Situation, Premiership

OW2706055494

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0046 GMT on 26 June carries a 22-minute live interview with Yohei Kono, president of the Liberal Democratic Party (LDP), during its regular "Sunday Discussion" program. The interview, conducted in the NHK Tokyo studio, is moderated by NHK commentator Takashi Yamamoto and guest commentator Naoki Tanaka.

Yamamoto begins the interview by asking Kono: "As the largest opposition party, the LDP bears great responsibility for establishing a new administration. How do you intend to tackle this in concrete terms?" Kono replies: "We need

to follow an orthodox procedure. I think one of the reasons for the current confusion in the political situation lies in the fact that proper the procedures of parliamentary democracy have not been taken in an orthodox manner. I mean, the regular procedures of constitutional government." Explaining the differences between the presidential system and the parliamentary system of government, Kono reiterates that it is important to follow orthodox procedures based on the parliamentary system of government and parliamentary democracy. Asked whether the largest opposition LDP intends to call for policy talks with the second largest opposition Social Democratic Party of Japan (SDPJ), Kono says: "I think the opposition parties are responsible for disentangling the political chaos."

Yamamoto then asks: "Do you mean the most desirable thing is to form an LDP-SDPJ-Sakigake (Harbinger) coalition?"

Kono replies: "Theoretically, yes." He then notes the need to reach an agreement on policies.

Guest commentator Tanaka next asks if Kono feels the responsibility for forming a new administration. Kono says: "I feel a very grave responsibility." Then Kono says the initial reason for the LDP submission of a no-confidence motion against the Hata cabinet was not because it was a minority administration. In citing the actual reasons, Kono asserts that the Hata administration had injured Japan's credit with foreign nations and the administration was taking a negative attitude toward economic pump-priming measures and political reform. Kono adds: "Now that we have brought down the administration, we—not only the LDP but also the others who brought it down—bear a great responsibility. Therefore, we intend to call for talks with various parties. Each coalition party that has lost power has their own opinion. For this reason, we intend to ask each party to talk with us. However, we have to think about which party has the most similar views to ours on the current politics. Policies are important, but, democracy is more important."

Noting LDP criticism of the so-called Ozawa-Ichikawa alliance (between Shinseito Secretary General Ichiro Ozawa and Komeito Secretary General Yuichi Ichikawa), Yamamoto asks if the LDP intends to exclude Shinseito and Komeito from policy talks. Kono says the LDP has no intention of excluding them from the initial stage if they follow democracy. On policy differences between the LDP and the SDPJ, Kono says he has the impression that there are not many differences in policies between the LDP and the SDPJ.

When Tanaka points out different views within the LDP, Kono says: "As I was elected party president, I represent LDP views." Asked how he intends to consolidate party unity, Kono says the LDP members have become united over the year since he became party president. Asked about the so-called "conservative-conservative" coalition, Kono questions the term "conservative-conservative" coalition.

Tanaka reviews the LDP's past political management, and asks what Kono thinks about the leadership within the

LDP. Kono says: "The LDP has been reformed smoothly. The party has drastically changed compared with last year." He adds: "The biggest change is that there is no more faction-oriented management in the LDP."

Asked about Sakigake's idea of putting forward SDPJ Chairman Murayama as candidate for premiership, Kono says it is desirable to think about various options, and notes the need for a transparent procedure for deciding the candidate. Kono adds: "It took much time to establish the Hata administration after Mr. Hosokawa (resigned as prime minister). At present, this is by no means forgivable. We have only three days before the current Diet session ends. And, the summit meeting (in Naples) is near at hand. Although we can extend the Diet session, it is impossible to postpone the summit. I think we have to make a decision in a day or two." When Yamamoto asks whether Kono will be a candidate for prime minister if an LDP headed administration is formed, Kono says it is not time to jump to conclusions. Kono adds that it is very important to reach a policy agreement with other parties on such issues as tax reform and security.

Asked about the coalition's stance of watching developments in LDP-SDPJ talks, Kono says: "It is an orthodox attitude. If Mr. Hata's resignation was based on the belief that he could not survive a no-confidence motion, it will be impossible for Mr. Hata to be reelected prime minister again."

Yamamoto asks: "Do you mean Mr. Hata will not become prime minister again?" Kono asserts: "I think it is impossible."

The interview with Kono ends at 0108 GMT.

LDP, SDPJ To Meet on Forming Government

*OW2606231794 Tokyo KYODO in English 2307 GMT
26 Jun 94*

[Text] Tokyo, June 27 KYODO—The main opposition Liberal Democratic Party (LDP) and the second largest opposition Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] are going to hold a party head meeting Monday [27 June] morning following the resignation of the entire minority cabinet of Prime Minister Tsutomu Hata, party officials said.

LDP President Yohei Kono and SDP Chairman Tomiichi Murayama are scheduled to meet at 10 AM at the Diet building, the officials said. The LDP has proposed a summit meeting among leaders of the LDP, the SDP and the new party Sakigake on Sunday. LDP Secretary General Yoshiro Mori made the proposal at a meeting with SDP Secretary General Wataru Kubo.

Mori told Kubo the LDP intends to settle the latest political chaos with the three parties. Mori added that a new prime minister should be chosen as soon as possible, the officials said.

Later in the day, the SDP decided to accept the LDP's proposal at a party leadership meeting, the officials said. But the New Party Sakigake has not immediately accepted

the proposal. Hiroyuki Sonoda, secretary general of Sakigake, said in a meeting with Mori that Sakigake will watch consultations between the LDP and the SDP, they said.

The LDP earlier the same day decided to set a priority on consultations with the SDP and Sakigake toward setting up a new government at a party leadership meeting, the officials said.

LDP President Kono has showed the willingness for a tie-up between the LDP and the SDP together with Sakigake during a TV program on Sunday morning.

SDP Chairman Murayama said Sunday during a TV program that he will also consider a possible tie-up between the LDP and the SDP. However, SDP's Kubo told reporters after the meeting with Mori that the proposed summit meeting does not mean the start of consultations toward setting up a new government. Kubo also said the SDP is ready to propose a meeting with outgoing Prime Minister Hata representing the coalition.

Meanwhile, Ichiro Ozawa, secretary general of Hata's Shinseito, appeared to reject consultations with the SDP over realiance for the time being. Ozawa urged the LDP and the SDP to offer their own vision of a new government to succeed Hata's minority coalition administration.

LDP, SDPJ Leaders Discuss Political Impasse

OW2706030394 Tokyo KYODO in English 0256 GMT 27 Jun 94

[Text] Tokyo, June 27 KYODO—The heads of Japan's two biggest opposition parties, the Liberal Democratic Party (LDP) and the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] met Monday morning to discuss the political impasse after the resignation of the cabinet of prime minister Tsutomu Hata, SDP party officials said.

SDP Chairman Tomiichi Murayama told reporters after the 43-minute meeting he and LDP President Yohei Kono agreed on an early settlement of the political chaos following the wholesale resignation of the minority cabinet. Prior to the start of the meeting, the SDP leadership meeting decided they will not discuss forming an alliance or a new government to replace the Hata cabinet, SDP officials said.

LDP Secretary General Yoshiro Mori also told reporters the two parties are not entering policy talks toward setting up a new government. The SDP is also seeking a meeting with Prime Minister Hata, the representative of the ruling coalition, the officials said. The LDP proposed the meeting with the SDP on Sunday.

SDP Chairman Murayama said Sunday during a television interview he would consider a tie-up with the LDP. However, SDP Secretary General Wataru Kubo appeared to favor returning to the ruling coalition, party sources said.

The SDP withdrew from former Prime Minister Morihiro Hosokawa's coalition cabinet in late April to protest the formation of a parliamentary group by other coalition

partners that excluded the SDP. The move forced Hata to form the first minority government in nearly four decades.

Further on Political Impasse

OW2706043194 Tokyo KYODO in English 0421 GMT 27 Jun 94

[Text] Tokyo, June 27 KYODO—Leaders of Japan's two main opposition parties on Monday [27 June] agreed on the need to form a new government by the end of Tuesday, but they failed to come up with a plan of action to achieve that end.

The Liberal Democratic Party (LDP), the biggest opposition group, and the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] agreed that the two parties bear great responsibility to get the current political turmoil under control, SDP Secretary General Wataru Kubo told a news conference.

LDP President Yohei Kono and SDP Chairman Tomiichi Murayama "shared a view that a new prime minister should be elected before the end of June 28," said Kubo, the No. 2 man of the SDP. "But our stances to have the situation in hand are not necessarily the same," Kubo said, indicating there would be no immediate formation of a coalition government by the two parties.

With Japan facing serious issues at home and abroad, and the summit of the Group of Seven (G-7) major industrialized economies approaching, it is crucial to pick a new premier and launch a new government as quickly as possible, Kono and Murayama agreed, according to Kubo.

The meeting of the leaders of the LDP and the SDP came two days after Prime Minister Tsutomu Hata and his two-month-old minority government resigned. During the 40-minute meeting, Kono called on Murayama to consider the opening of new government negotiations with New Party Sakigake, in addition to negotiations with the LDP, Kubo said. The SDP and Sakigake, both former members of the ruling coalition, have already kicked off talks on a joint policy platform to be released soon.

Asked about the possibility of a new government being launched by Tuesday, Kubo replied, "I cannot tell." "In the case of a single-party government, you can tell the schedule. But as for a coalition government, you cannot start until it is known which parties will share the government," he said.

Kubo revealed that he has proposed via Chief Cabinet Secretary Hiroshi Kumagai holding a meeting between Hata and Murayama to explore the possibility of the SDP forming a new government with the current ruling coalition. The coalition must be weighing how to respond to the offer, he said.

Hata resigned with his minority government Saturday in the face of an LDP-proposed no-confidence motion and an SDP demand for the collective resignation of his cabinet as a prerequisite for the SDP's return to the ruling camp. The coalition insists it is the LDP and the SDP that should chart a course for the formation of a new government, not the coalition.

Although some LDP and SDP leaders have voiced readiness for a tie-up of the two parties to succeed the Hata government, resistance to such an alliance is strong within both parties as they have sharp differences on key policy issues. Notably, the SDP central executive committee has decided not to ally with the LDP.

Kubo, who favors the SDP rejoining the ruling coalition, asserted that the party should follow the committee decision as it examines ways to form a new government. "I have been told by party members to abide by the central executive committee decision and I myself have followed the decision sincerely," Kubo said. "The decision must be observed by all means," he said.

The House of Representatives steering committee canceled a lower house plenary session scheduled for 1PM [0400 GMT] because the parliament was not prepared to pick a successor to Prime Minister Hata, committee sources said.

LDP Proposes Summit Meeting With SDPJ, Sakigake

*OW2606102994 Tokyo KYODO in English 1018 GMT
26 Jun 94*

[Text] Tokyo, June 25 KYODO—The Liberal Democratic Party (LDP) proposed Sunday [26 June] holding a summit meeting among leaders of the LDP, the Social Democratic Party (SDP) [SDPJ—of Japan] and new party Sakigake [Harbinger] to form a new government to replace the minority cabinet of Prime Minister Tsutomu Hata, party officials said.

LDP Secretary General Yoshiro Mori made the proposal at a meeting with SDP Secretary General Wataru Kubo.

Mori and Kubo agreed a new government should be established as soon as possible, they said.

Hata and his cabinet resigned Saturday prior to impending defeat in a no-confidence vote against his two-month old cabinet tabled by the LDP.

Hata is the sixth prime minister in Japan to have resigned in five years.

Kubo told reporters after the meeting with Mori that the country's two largest parties in parliament, the LDP and the SDP, will discuss how to break the current political deadlock.

The two parties however will not proceed to consultations on forming a new coalition government, Kubo said.

SDPJ, Sakigake To Draft New Government Blueprint

*OW2506092594 Tokyo KYODO in English 0901 GMT
25 Jun 94*

[Text] Tokyo, June 25 KYODO—The opposition Social Democratic Party (SDP) [SDPJ—of Japan] and new party Sakigake (Harbinger) agreed Saturday [25 June] to jointly iron out a blueprint for a new government to replace Prime Minister Tsutomu Hata's cabinet, the parties sources said.

SDP Chairman Tomiichi Murayama and Sakigake leader Masayoshi Takemura met and agreed on the program, they said.

After the plan is drawn up, the two parties will submit it to other parties as early as the beginning of next week, and ask them to cooperate in the formation of a new coalition government, they said.

Hata announced earlier in the day that he would resign along with his entire cabinet.

Further Talks on Blueprint

*OW2706084894 Tokyo KYODO in English 0827 GMT
27 Jun 94*

[Text] Tokyo, June 27 KYODO—The Social Democratic Party (SDP) [SDPJ—of Japan] and New Party Sakigake [Harbinger] will weigh the possibility of issuing a joint appeal to form a new government, officials of the two parties said Monday [27 June].

SDP Chairman Tomiichi Murayama and Sakigake Chief Masayoshi Takemura met in the Diet building for nearly an hour to discuss what course of action their parties should take in launching a new government to replace that of outgoing prime minister Tsutomu Hata.

The two men agreed their parties will consider the joint action, Koken Nosaka, chairman of the SDP's Diet Administration Committee, and Sakigake Secretary General Hiroyuki Sonoda told a joint news conference.

Takemura told Murayama that his party will not participate in a new government if it is led by the new intraparlimentary group Kaishin and Soka Gakkai-backed Komeito [Clean Government Party].

Kaishin's members include Hata's Shinseito [Japan Renewal Party], former Prime Minister Morihiro Hosokawa's Japan New Party and the Democratic Socialist Party.

Earlier Monday, the SDP, the second largest opposition party, and Sakigake agreed in principle on a blueprint for a fresh administration that calls for among other things respect for the Constitution.

Nosaka said the SDP and Sakigake, both former members of the ruling coalition, should make further efforts to stabilize Japan's political situation, give a sense of security to the public and win the trust of other countries.

Sonoda told reporters that Takemura briefed Murayama on his party's position of recommending the SDP chief as top candidate for the premiership. Murayama, however, demurred, Sonoda said.

To form a "dovish" government, Nosaka said, the next prime minister should be served by people who are sincere, courageous and decisive.

The dovish nature of the government should be represented by Japan's international contributions in nonmilitary fields, Sonoda said.

Saying the SDP is awaiting Hata's reply to the SDP's call for a meeting between the premier and Murayama, Nosaka displayed his readiness to further urge Hata to meet the SDP boss and discuss the framework of the next administration.

Hata and his two-month-old cabinet resigned Saturday in the face of a no-confidence motion.

The socialists formed the largest contingent in the previous government of Prime Minister Morihiro Hosokawa and Takemura served as chief cabinet secretary.

Meanwhile, the democrats, a faction within the SDP, agreed Monday to oppose an intraparty move to create a coalition government with the Liberal Democratic Party (LDP), the country's largest party now in opposition, faction officials said.

The democrats, a policy study group, which comprises 23 SDP legislators of the House of Representatives, also urged the SDP leadership to resume talks with Hata's coalition to form yet another coalition government, the officials said.

The decision was adopted at a plenary session of the democrats, they said. The democrats have long thrown their weight behind SDP Secretary General Wataru Kubo, who is regarded as a chief proponent of an alliance with the coalition.

Following the announcement Saturday of the premier's intention to disband his entire cabinet, SDP ranks have been divided over the wisdom of proposals to seek an alliance with the LDP or return to the fold of the ruling coalition.

SDPJ Reacts to Hata Resignation Announcement

OW2506151994 Tokyo NHK General Television Network in Japanese 0315 GMT 25 Jun 94

[Announcer-read report: from "NHK News" program]

[Text] The opposition Social Democratic Party of Japan [SDPJ] held an extraordinary meeting of the Central Executive Committee this morning to discuss how to deal with a no-confidence motion against the Hata cabinet which has been submitted by the opposition Liberal Democratic Party [LDP] to the Diet. During the meeting, a group of legislators led by Chairman Murayama asserted that the SDPJ should submit its own no-confidence motion against the Hata cabinet in line with a party decision that if the Hata cabinet refuses to resign en masse, the SDPJ will demand the dissolution of the House of Representatives and the holding of general elections, while a group of legislators led by Secretary General Kubo claimed that the SDPJ should vote against the no-confidence motion or abstain from the vote, noting the importance of the SDPJ maintaining its relationship with the coalition government. In this way, the two groups split over handling the coalition government and as a result, the SDPJ was unable to shape a consensus at the meeting.

SDPJ legislators held a meeting shortly after Prime Minister Hata announced that his cabinet would resign en

masse. During the meeting, Secretary General Kubo said: As a result, the Hata cabinet will voluntarily resign en masse as the SDPJ has demanded. I intend to do my best to form a new coalition government.

His remarks indicate that the climate has now been created wherein the SDPJ can resume talks with the ruling coalition parties about the SDPJ's return to the coalition government.

Chairman Murayama, however, said: Each political party and each parliamentary group will make moves, and it is important for the SDPJ to adopt perfect policies. I will do everything I can to meet the party's expectations of me. In this way, Chairman Murayama did not refer to the SDPJ's return to the ruling coalition.

Democracy, the largest group in the SDPJ, has decided to urge the SDPJ leadership to return the party to the ruling coalition after concluding that the conditions for the SDPJ to return to the ruling coalition have been met.

Chairman Murayama will soon hold a news conference in the Diet building to make clear the SDPJ's policy on the formation of the next government.

Murayama Discusses Maintaining Coalition

OW2606062894

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0002 GMT on 26 June carries a live interview with Tomiichi Murayama, chairman of the Social Democratic Party of Japan [SDPJ], in its regular "Sunday Discussion" program. The interview, conducted in the NHK Tokyo studio, is moderated by NHK commentator Takashi Yamamoto and guest commentator Naoki Tanaka.

Yamamoto begins the interview by asking Murayama: "In reference to the issue of forming a new government, it appears that the SDPJ holds a key to it. Which party do you intend to begin negotiations with—the Liberal Democratic Party [LDP] or the ruling coalition parties?"

Murayama replies: "We have to recognize the past. We should return to the position we had at the time of forming the coalition in August last year. I think the correct order to proceed by is that all the people who participated at that time return to that position and restart from zero in discussing how the government should be formed."

"What you are saying is that you will begin with the ruling coalition parties, right?" Yamamoto asks.

Murayama replies, "Yes."

The moderator notes: "But the coalition parties are saying they want to watch the negotiations taking place between the LDP and the SDPJ. They say their negotiations with the SDPJ on policy adjustments have been terminated."

Murayama responds: "That may be what they are saying, but as far as we are concerned, we have to think about the past history, and about what the people of the nation expect us to do and what they want from us. We have to proceed with negotiations based on this thinking. I think the people

of the nation still strongly expect us to end the LDP governance that continued for 38 years and to begin a new government. We need to respond to these expectations. When we recognize this, we come to realize we should form a coalition government once again." The SDPJ head adds, "But after all, negotiations need another party to talk to. If the negotiations do not go well, of course, then, it may be possible that we will think about what we should do next."

Yamamoto asserts that the coalition parties appear to have changed their position on the SDPJ as a possible coalition partner and asks for Murayama's comment.

Murayama replies: "It is only natural that we should think about the next course of action if the negotiations do not go well. Yesterday, Mr. Yohei Kono and Mr. Ryutaro Hashimoto [of the LDP] came to me and handed me a paper on the party's concept for forming a new government. I told them I would like to have time to study it. Since I have to think about the next course, I would like to keep the door open for talks with other parties."

Guest commentator Tanaka points out: "Watching the SDPJ over the past several days, I have noticed considerable differences of view within the SDPJ. For you, the most urgent issue right now is not to let the party break up."

Murayama says: "No, no. What is urgent for me is how we can respond to the people's expectations, by forming a new government."

The commentator then asks: "Specifically, there is said to be two groups in the party—one that attaches importance to maintaining the coalition and the other group does not. This is one of the reasons for the chaotic political situation."

The SDPJ chairman responds: "This should not be viewed as the party being divided into two groups—of one that attaches importance to the coalition and the other that does not. It should be taken as differences of view existing on conditions to rejoining the coalition."

Tanaka asks if Murayama thinks the next government will be a caretaker government that will serve until the next general election or a full-fledged government.

Murayama says: "It will depend on how the government will be composed, but it is possible that the government will be a temporary one that will serve until the next election."

Tanaka asks if Murayama thinks the LDP has changed its way of thinking.

Murayama says: "This question was once discussed within my party too. At that time, I said that the fact that Mr. Kono was elected its president shows the party recognized the party's mood, which is looking for change." Murayama adds: "There are people who are considered doves in the LDP. I think we can talk to or cooperate with them."

Tanaka asks Murayama if there is a possibility of the SDPJ cooperating with the LDP in forming a new government in case negotiations with the coalition parties fail.

Murayama says: "Umm, yes. The Diet session closes 29 June. If possible, we would like to name a prime minister and form a cabinet by then—so that it will be able to get ready for the summit. We have a political task to form a new government. But if there is no way of doing that by 29 June, then we may have to extend the Diet session a little. That is what I think."

Yamamoto says some people in Sakigake [Harbinger] think they should push for Murayama as the next prime minister, and asks for Murayama's comment.

Murayama says: "This will be a coalition government. Its prime minister needs to be agreed on by the parties that participate in the coalition. Hence, I think we should not talk about who should be prime minister." He then says: "I do not think I am fit for that [position]. If my party is asked to form a cabinet, there are many people who are fit for that."

The interview with Murayama ends at 0025 GMT.

LDP, SDPJ Move Toward 'Grand Alliance'

*OW2706151994 Tokyo KYODO in English 1454 GMT
27 Jun 94*

[Text] Tokyo, June 27 KYODO—The Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] edged gingerly toward a grand alliance with its onetime archenemy Liberal Democratic Party (LDP) in intensifying political maneuverings Monday while the coalition of caretaker Prime Minister Tsutomu Hata remained on the sidelines.

SDP Chairman Tomiichi Murayama met separately with the heads of the LDP and the tiny New Party Sakigake, a splinter party from the LDP, in efforts to consolidate its standing in forming a new cabinet following Hata's resignation announced Saturday.

Murayama and LDP President Yohei Kono agreed to seek election of a new premier Tuesday, and both parties later ruled out an extension of the term of the current 150-day regular Diet session, which expires Wednesday.

Murayama and Kono also concurred in jointly taking "heavy responsibility" for breaking the current political standoff in order to pave the way for an early creation of the new government.

Kono proposed a trilateral meeting with Murayama and Sakigake head Masayoshi Takemura, chief cabinet secretary for Hata's predecessor Morihiro Hosokawa, for a breakthrough pact.

The meeting could lead to a crucial tripartite coalition to form the new ruling camp, political analysts said.

The Monday meeting between the SDP and Sakigake heads produced a joint call for a "dove" or soft-line government based on their agreed policy outline.

Takemura, leery of what he believes to be the high-handed leadership of Shinseito and Komeito in the coalition, made

clear his party has no plan to reconcile with the group, urging Murayama to head the new government.

Meanwhile, the minority coalition, which lost its grip on power when Hata stepped down after only two months in office, played a wait-and-see strategy, turning down the SDP's overture for a meeting between Murayama and Hata.

In a meeting of the party top brass, the coalition confirmed its policy of waiting for the SDP's initiative for fresh talks on policy agreement before any high-stakes meeting between the party heads.

The SDP's policy-making board, on the other hand, endorsed the joint policy platform with Sakigake and called on the coalition to make a formal response to its proposal for the Murayama-Hata talks by 11 a.m. [0200 GMT] Tuesday.

If the coalition remains cool to the SDP's proposal, the Socialists will discard efforts to strike an alliance with the coalition and start whole-hearted negotiations with the LDP, insiders said.

Murayama underscored the possibility of an accord with the LDP, saying at a meeting of SDP members of the House of Councillors, "if there is no room for talks with the coalition, we should seek (another) way for creating a government."

Neither the SDP nor the LDP, however, is monolithic about forgetting their long history of bad blood and antagonism to join hands.

A group of liberals in the SDP called "Democrats" urged the party leadership to reject the LDP's call for alliance and start reconciliation talks with the coalition.

Within the LDP, a growing number of party members are tilting toward a partnership with the SDP, party sources said.

"Consensus within the party is materializing for a trilateral coalition (with the SDP and Sakigake)," said Koichi Kato, a senior LDP lawmaker.

But a group led by former Foreign Minister Michio Watanabe made a renewed call for talks with the coalition for a possible new conservative alliance.

Ichikawa on Resignation, Political Situation

OW2606195094

[Editorial Report] Tokyo NHK General Television Network in Japanese in its "Sunday Discussion" (Nichiyo Toron) program at 0025 GMT on 26 June begins broadcasting a 21-minute live interview with Komeito (Clean Government Party) Secretary General Yuichi Ichikawa on Prime Minister Hata's resignation announcement, formation of a coalition with the Social Democratic Party of Japan (SDPJ), and the future political situation. The program is moderated by NHK commentator Takashi Yamamoto at the NHK studio in Tokyo. Participating in the interview is commentator Naoki Tanaka.

Yamamoto begins the interview by asking Ichikawa: "You said that the coalition will step down (geya). Do you mean to say that Komeito will become an opposition power without trying to come back into power?" Ichikawa responds by explaining: "If there were only two major parties, or if it were a bipolar political world, then what I said would really mean that we will step down from power. However, the current political world is made up of three major political powers. It is tripolar politics. Therefore, what I meant by stepping down (geya) is that we have no intention of actively calling on other party members to form a new government or try to unify the 180 people who were members of the ruling parties to form some kind of political power." He reiterates that Prime Minister Hata made the decision for the cabinet to resign and to see what the Liberal Democratic Party (LDP) and the SDPJ will do to deal with the political situation. He rules out the possibility of holding policy meetings with the SDPJ to form a new coalition. He says his party will become an opposition party if the LDP and the SDPJ join hands to become a political power.

Tanaka also asks Ichikawa if his party really has no intention of remaining in power. Ichikawa answers: "We will not remain in the government by being power-mad." He adds that his party will cooperate with other parties or groups—who share the same basic policies as Komeito, want to legislate political reform bills, and support the idea of not dissolving the lower house under the current system. Ichikawa then explains the policy differences on various issues, including the consumption tax, between his party and the SDPJ. Asked whether an agreement will be reached on tax reform at a policy meeting with the SDPJ, if they are resumed, Ichikawa says that the SDPJ flatly rejected our compromise proposals.

When asked if he thinks the current tripolar politics will change in the future, Ichikawa replies: "One reorganization of the political world will not be enough. I think reorganization of the political world will take place several times." "After all, I do not think there will be a stable government unless we form a majority group by surpassing the barriers of the party framework and joining hands with other groups whose policies are same as ours."

Going back to the tax issue, which was the major obstacle in coalition-SDPJ negotiations on the SDPJ's return to the coalition, Tanaka says there was no need to insist on setting a deadline for tax reform. Ichikawa explains the reason the coalition and the SDPJ, when they held negotiations before the prime minister's resignation announcement, needed to reach agreement on the details of tax reform before September. He says that the tax issue will be shelved for a long time if no deadline is set, because lawmakers do not want to talk about raising taxes before elections.

Asked if he thinks the LDP and the SDPJ will agree to cooperate with each other in winning power, Ichikawa answers: "They have a big policy gap. The gap between the SDPJ and the LDP is larger than the gap between us and the SDPJ. Also, I doubt that supporters of the LDP and the SDPJ will approve of the formation of a coalition between the two parties."

DSP's Yonezawa Comments on Hata Resignation

*OW2506153594 Tokyo NHK General Television
Network in Japanese 0321 GMT 25 Jun 94*

[Interview with Takashi Yonezawa, chairman of the ruling Democratic Socialist Party, by unidentified NHK reporter at Democratic Socialist Party headquarters in Tokyo—live via satellite hookup; from the "NHK News" program]

[Text] [NHK] I will interview Chairman Yonezawa of the Democratic Socialist Party [DSP]. Mr. Chairman, what do you think of Prime Minister Hata's decision on the general resignation of his cabinet?

[Yonezawa] The opposition Liberal Democratic Party [LDP] submitted a no-confidence motion against the Hata cabinet shortly after the fiscal 1994 budget bill was enacted in the Diet. Meanwhile, the opposition Social Democratic Party of Japan [SDPJ] has demanded that the Hata cabinet resign en masse. Prime Minister Hata has chosen the path of resigning with his cabinet en masse in a bid to overcome a difficult political situation. I would like to highly praise Prime Minister Hata's decision. To overcome the difficult political situation, the prime minister had only two options—the dissolution of the House of Representatives or the general resignation of his cabinet. If the House of Representatives is dissolved, a political vacuum would be created under this difficult political situation and political reform would be left halfdone. I believe the prime minister made a last-minute choice, taking into account all those things. I would like to express my respect for Mr. Hata's decision and highly rate his decision.

[NHK] How do you think the next government will be formed?

[Yonezawa] The Hata cabinet will resign en masse. The prime minister decided on the general resignation of his cabinet in response to the LDP which has claimed the Hata cabinet deserves to be voted out in the Diet, and the SDPJ that has demanded that the Hata cabinet resign en masse. I believe that a situation will be created wherein all political parties discuss how to form a new government. I also believe that debates will be held on the formation of a new government and the choice of prime minister. Our party will watch how the political situation will develop in the future.

[NHK] Does the DSP plan to make immediate moves toward forming a new government?

[Yonezawa] Our party was subject to the no-confidence motion and, as a partner of the Hata government, it was asked to resign en masse. The Hata cabinet has just resigned en masse. Our party, therefore, will not make any immediate moves. We will watch how the political situation develops in the future.

JNP Member on Resignation of Hata Cabinet

*OW2506154894 Tokyo NHK General Television
Network in Japanese 0324 GMT 25 Jun 94*

[Interview with Masuo Matsuoka, secretary general of the coalition member Japan New Party, by unidentified NHK reporter at Japan New Party headquarters in Tokyo—live via satellite; from the "NHK News" program]

[Text] [NHK] What do you think of the general resignation of the Hata cabinet?

[Matsuoka] I regret the Hata cabinet resigning en masse at a time when political reform is on the verge of completion. If the House of Representatives is dissolved, political reform will disappear. We were really worried that the Hata cabinet would be voted out of power in the Diet. Political reform should be completed, and a host of domestic and foreign issues should be tackled. The people do not hope for the dissolution of the House of Representatives and the holding of general elections. I would like to express my heartfelt respect for Mr. Hata's decision on the general resignation of his cabinet.

[NHK] The dissolution of the House of Representatives and the holding of general elections have been avoided. What does the Japan New Party [JNP] think of their avoidance?

[Matsuoka] As you know, political reform was initiated by the Hosokawa cabinet and the implementation of political reform has been a task for the JNP. If the House of Representatives were dissolved, political reform would disappear. The enactment of a bill on demarcating the current constituencies will complete the political reform. The JNP welcomes the prime minister's decision to resign with his cabinet en masse.

[NHK] Who do you think is desirable to be the next prime minister?

[Matsuoka] The next prime minister should continue to push for reforms. The next prime minister should practice politics for improvement of the people's livelihood and pursue clean politics. The next prime minister should rally political forces to overcome the present difficult time. This is what our party thinks. As a partner in the ruling coalition, our party will advocate the need to hold the ruling coalition parties together at the meeting of representatives from the ruling coalition parties. The ruling coalition parties have 180 seats in the House of Representatives, and I believe that the will of 180 legislators cannot be ignored in running the Diet. The ruling coalition parties intend to unite in the future. They have affirmed their intentions to work together to resolve various problems involving the people's livelihood and push for reforms.

Rengo Seeking To Restore Hosokawa Framework

*OW2606134094 Tokyo KYODO in English 1319 GMT
26 Jun 94*

[Text] Tokyo, June 26 KYODO—Japan's largest trade union umbrella organization on Sunday [26 June] called for

restoring the framework of the coalition government of former Prime Morihiro Hosokawa in forming a new government to replace Prime Minister Tsutomu Hata's administration.

The Japanese Trade Union Confederation (Rengo) issued the appeal at a hastily held meeting of its five top officials.

The Hosokawa cabinet, which resigned in April, comprised the Social Democratic Party (SDP) [SDPJ—of Japan], Shinseito [Japan Renewal Party], Komeito (Clean Government Party), the Japan New Party, the Democratic Socialist Party (DSP), New Party Sakigake [Harbinger] and the now-defunct united Social Democratic Party.

The SDP withdrew from the coalition in late April in protest at the formation of a parliamentary group by other coalition partners excluding the SDP, forcing Hata to form the first minority government in nearly four decades.

Rengo is the main support base for both the SDP and the DSP.

In the statement, Rengo urged Hata, SDP Chairman Tomiichi Murayama, and if possible leaders of ruling coalition parties and the head of New Party Sakigake to hold a meeting to find a breakthrough to the political deadlock.

KYODO on Current Political Maneuvering

*OW2706154694 Tokyo KYODO in English 1523 GMT
27 Jun 94*

["News Focus" by Takehiko Kajita: "Japanese Politics Rudderless After Hata's Resignation"]

[Text] Tokyo, June 27 KYODO—Although Prime Minister Tsutomu Hata is scheduled to exit, it is anybody's guess how soon he will be freed from his duties as a caretaker premier.

With the end of the current ordinary Diet session only two days away, major political parties in Japan have yet to decide on who should head the next government, let alone which parties should fashion a new administration.

So far, the coalition parties that constitute Hata's fragile minority government are adopting a wait-and-see tactic toward the formation of the next government as major opposition parties are vigorously trying to launch an administration that includes them.

The country's two largest parties, the Liberal Democratic Party (LDP) and the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ], both in the opposition camp, are playing a pivotal role in livening up the intensifying power game triggered by Hata's announcement of his resignation with the two-month-old cabinet.

The LDP, a party that governed the nation unchallenged for nearly four decades until last August, is anxious to seize this occasion to wrest back power. The problem is the party needs a partner—or partners—to launch a new government as it lacks a majority force in the Diet.

The once-dominant party is thus wooing the SDP, the LDP's archrival under the LDP's 38-year rule and the largest contingent in the administration of former Prime Minister Morihiro Hosokawa's coalition government, into its fold to create a grand coalition government.

But the move has already sparked resistance from within the LDP because it is taken to be tantamount to the revival of the old political setup in which the LDP and the SDP were ostensibly locking horns with each other but in reality having a cozy relationship.

The tie-up with the LDP is also not easy for the SDP. While the left-wingers within the SDP, led by SDP Chairman Tomiichi Murayama, show great interest in joining forces with the LDP, the right-wingers headed by SDP Secretary General Wataru Kubo favor the party's realignment with the present coalition.

The LDP and the SDP have also too wide a gap over key policy issues such as foreign policies and national security to govern together. It is uncertain whether New Party Sakigake, a tiny LDP splinter party headed by former Chief Cabinet Secretary Masayoshi Takemura and having close ties with the SDP, can play cupid for the two parties.

As of Monday [27 June] night, the SDP leadership has yet to decide on which the party should choose, forming a partnership with the LDP or mending fences with the coalition parties, due to the schism between the right-wing and left-wing members of the party.

Whichever the party leadership chooses, the SDP could face a moment of breakup and accelerate moves toward a full-scale reconfiguration of political parties in Japan.

The ruling coalition parties are closely watching dialogue for the formation of a new government among the LDP, the SDP and Sakigake and have given the silent treatment to the SDP's call for the reopening of realignment talks.

It is widely believed that behind the coalition's attitude lies its conviction that the LDP and the SDP will never be able to get married and that the ruling alliance can certainly break a political impasse in its favor.

BOJ Wants Intervention To Normalize Markets

*OW2406145194 Tokyo KYODO in English 1434 GMT
24 Jun 94*

[Text] Tokyo, June 24 KYODO—A Bank of Japan (BOJ) source, commenting on a concerted market intervention in currency markets by major industrialized countries on Friday [24 June], said the bank hopes the action will help normalize currency markets.

The source said the intervention shows the "resolute stance" of the Group of Seven (G-7) industrialized countries to secure stabilization of foreign exchange rates.

The concerted action is aimed in part at sending warning signals to speculators, the BOJ source said.

The Bank of Japan expects the intervention to have maximum possible effect on the foreign exchange markets, the source said.

The G-7 nations are Britain, Canada, France, Germany, Italy, Japan and the United States.

In addition to these countries, Spain, Belgium and other European countries reportedly participated in the concerted market intervention.

The action immediately lifted the dollar to about 101.80 yen in New York trading on Friday.

Currency Movement Monitored With G-7 Nations
OW2406160894 Tokyo KYODO in English 1550 GMT 24 Jun 94

[Text] Tokyo, June 25 KYODO—Finance Minister Hirohisa Fujii said Friday [24 June] night that a concerted intervention by the Group of Seven [G-7] industrial powers demonstrates their cooperative ties on foreign exchange movements.

Japan will keep in close touch with other G-7 countries and closely monitor currency movements so that it can take timely action in an adequate way, Fujii said in a statement.

G-7 Summit Likely To Discuss Dollar's Depreciation

OW2706115694 Tokyo KYODO in English 1026 GMT 27 Jun 94

[Text] Tokyo, June 27 KYODO—The Group of Seven (G-7) summit in Naples next month is likely to discuss ways of stopping the U.S. dollar's decline on foreign exchange markets, government sources said Monday [27 June].

The sources said the G-7 nations are likely to hold a meeting of finance ministers' deputies before the summit to coordinate their views on the issue.

On the Tokyo market, the U.S. dollar closed at a record postwar closing low of 99.93 yen on Monday after falling to a global low of 99.50 yen at one stage.

An economic declaration to be issued at the summit is now expected to call for coordinated intervention by the participating nations to stabilize the volatile foreign exchange market, the sources said.

They also said Japan is likely to face intense pressure at the summit to ease its monetary policy and expand its fiscal measures in order to promote an economic recovery.

A joint statement issued at a ministerial meeting of the Organization for Economic Cooperation and Development (OECD) in early June called for continued cooperation among member countries in the foreign exchange market.

North Korea

U.S. Urged To Rectify 'Outdated Korean Policy'

SK2506051994 Pyongyang KCNA in English 0500 GMT 25 Jun 94

["NODONG SINMUN on Improvement of DPRK-U.S. Relations"—KCNA headline]

[Text] Pyongyang, June 25 (KCNA)—If the United States choose to improve its relations with the Democratic People's Republic of Korea from a sincere stand, not setting unreasonable preconditions, we will make energetic efforts for the improvement of the relations between the two countries, not looking back on the past but looking forward to the future, declares NODONG SINMUN in an editorial today.

Noting that 44 years have passed since the United States and the South Korean rulers started a war of aggression against the DPRK on June 25, 1950, the editorial says:

The victory of the Korean people in the fatherland liberation war furnished ample proof that no threat and strong arm of the imperialists could subdue a people who rose up to defend the sovereignty of the country and the dignity of the nation under the wise leadership of the party and the leader.

The editorial headlined "Let Us End Confrontation and Division and Advance Toward Peace and Reunification" further says:

The Workers' Party of Korea and the DPRK Government have in the past period put forward most reasonable and realistic proposals and programs for the improvement of the confrontational DPRK-U.S. and North-South relations and for a durable peace in the country and its peaceful reunification and made every possible effort for their implementation. But they have not borne fruits owing to the U.S. hostile policy toward the DPRK and the anti-peace, anti-reunification splittist manoeuvres of the South Korean rulers.

If the United States really do not want to see the repetition of the June 25 disasters on the Korean peninsula, it must rectify its outdated Korean policy of blindly antagonizing the DPRK and approaching the Korean issue from the stand of strength and move ahead toward the termination of the hostile relations between the two countries.

The military armistice system in Korea has been paralysed today by a unilateral act of the United States. The United States is talking much about the end of the Cold War and the advent of peace. Should it truly want a durable peace on the Korean peninsula, there would be no ground for it to refuse to accept the peace proposal of the DPRK to replace the Korean armistice agreement with a peace agreement and establish a new peace arrangement and there would be no problem unsolvable in its relations with the DPRK.

If the South Korean authorities want to take the road for the nation in the changed realities today, they should join in the nationwide cause of achieving peace of the country

and its peaceful reunification, promoting the great unity of the nation from the stand of national independence.

MINJU CHOSON in its editorial today says.

If the United States do not want the repetition of the disasters of war on the Korean peninsula, it must bend efforts for a fundamental solution of the nuclear issue and a substantial improvement of its overall relations with the DPRK and respond at an early date to our proposal for the establishment of a new peace arrangement.

Ministry Spokesman Previews U.S.-DPRK Talks

*SK2706102594 Pyongyang KCNA in English 1019
GMT 27 Jan 94*

["Information on Expected Third Round of DPRK-USA Talks"—KCNA headline]

[Text] Pyongyang, June 27 (KCNA)—A spokesman of the Foreign Ministry of the DPRK issued the following information today on the expected third round of DPRK-USA talks.

A series of working contacts have of late taken place between the DPRK and the USA for the opening of the third round of talks.

The sides agreed to begin the third round of talks on July 8, 1994, in Geneva.

The talks will be held alternately at the DPRK Mission and the U.S. Mission in Geneva, the first-day session taking place at the DPRK Mission.

The talks will be attended by a delegation of the DPRK led by Kang Sok-chu, first vice-minister of foreign affairs, and a delegation of the USA led by Robert L. Gallucci, assistant secretary of state in charge of political and military affairs.

The talks are expected to discuss matters for a fundamental solution to the nuclear issue in a package deal and other outstanding issues between the DPRK and the USA.

Ministry: ROK, Japan Must Not Interfere in Talks

*SK2506103294 Pyongyang KCNA in English 1022
GMT 25 Jun 94*

["Japan and S. Korean Authorities Must Not Interfere in Third- Round DPRK-U.S. Talks, DPRK Foreign Ministry Spokesman"—KCNA headline]

[Text] Pyongyang, June 25 (KCNA)—A spokesman of the Foreign Ministry of the Democratic People's Republic of Korea today answered a question put by KCNA about the outcries of Japan and the South Korean authorities that the question of the "special inspection" of DPRK's military sites must be resolved at the third-round DPRK-U.S. talks.

He said:

As has been reported, the third-round DPRK-U.S. talks will be held in Geneva in the first week of July.

It is expected that the outstanding questions between the DPRK and the United States including the nuclear issue of the Korean peninsula and the relations between the two countries will be solved in this round of talks in a package deal.

Japan and the South Korean authorities, however, are trying to force a "special inspection" on military sites of the DPRK, claiming that the "nuclear suspicion" against it must be clarified at the talks and it must "accept a full inspection."

A sinister aim is lurking behind this fuss impudently raised by Japan and the South Korean authorities that are not parties to the talks.

Japan and the South Korean authorities, that did not want a progress at the DPRK-USA talks and a fair solution to the "nuclear issue" from the beginning, are now hurriedly running about to put a spoke in the wheel of the DPRK-USA talks, unable to conceal their perplexity and irritation, as it has become certain that the talks will be resumed.

Judging from this, it is clear that the ulterior intention of Japan and the South Korean authorities in trying to impose inspection of military sites on the DPRK under the pretext of its "nuclear suspicion" is to lay hurdles in the way of the hard-won third round of DPRK-USA talks and the settlement of the "nuclear issue" and find an excuse for promoting and justifying their own nuclear armament.

Japan and the South Korean authorities are alleging that the DPRK is keeping something in concealment. But we have no nuclear weapon and feel no need to manufacture them.

As for the "suspected nuclear program" of the DPRK over which some forces are making much ado, it is a problem that will naturally be resolved when DPRK-USA talks proceed successfully and confidence is built between the DPRK and the USA.

Therefore, there is no need for Japan and the South Korean authorities to trouble themselves about this.

If some forces, urged by a sinister intention, try to impose inspection of military sites, which means an infringement on the sovereignty of the DPRK, it will not be beneficial to them, either, and will produce grave consequences.

Commentary on 'Truth' About 1950 U.S. 'Invasion'

*SK2706081694 Pyongyang Korean Central
Broadcasting Network in Korean 2355 GMT 26 Jun 94*

[Unattributed talk: "Provokers' Confession, Witnesses' Testimony"]

[Text] The date of 25 June 44 years ago was the date when the United States provoked a war of aggression in Korea. The fact that the United States planned, prepared for, and provoked a criminal war of aggression in Korea has been confessed by the provokers themselves. This is a historic fact to which witnesses and the world have testified.

First of all, the United States mapped out a detailed plan and made scrupulous preparations for the war of aggression in Korea. As far as the United States was concerned, its invasion of the northern half of the Republic was a central question in U.S. policy toward South Korea at that time. In this connection, the United States had made preparations for an armed invasion of the northern half of the Republic right since the end of World War II.

At that time, then U.S. Ambassador to South Korea Muccio stated definitely: A northward invasion is a central question in the U.S. policy toward South Korea. Therefore, this question should not be slighted.

Already in May 1950, the eve of the war provoked, (Jones), director of the South Korean Affairs Department of the former U.S. Agency for Economic Aid, said: They are armed with American-style weapons. One hundred-thousand-strong South Korean troops, who have been trained by U.S. Army officers under the supervision of a U.S. Armed Forces' mission in Seoul, have completed all of their preparations. They are ready to start a war at any time.

At that time, (Seybold), director of the (?Foreign Affairs Bureau) of the MacArthur Command, pointed out: As far as a conquest of North Korea is concerned, the battleships or aircraft in Japan will participate in battles on the side of South Korea. Therefore, there will be nothing to be worried about as far as the Navy and Air Force are concerned.

LIFE, a U.S. magazine, wrote: We have never seen an example—in which much preparations have been made—in any kind of war waged up until now, throughout the entire period of our history, other than when the Korean War started.

(CONBADIE) of France wrote in the 29 July, 1953 edition: Judging from all facts today, the United States had already made preparations for the Korean War right since the end of World War II.

An American publication entitled "Who Ignited the Korean War?" pointed out that such meticulous preparations had been completed in May 1950.

The warmongers, who had finished their preparations for the war, watched only for an opportunity to ignite a war.

On the foremost front along the 38th Parallel on 18 June, 1950, Dulles, a former U.S. presidential special envoy who had sneaked into South Korea for a final check-up for preparations for a Korean war, mapped out a scenario—for the puppets—aimed at covering up their provocation of a war, saying: Along with counter-propaganda that North Korea invaded first, you should launch an attack on North Korea. If you hold out for two weeks, the United States will bring a charge that North Korea has invaded South Korea during that period so that the United Nations will have to mobilize ground, naval, and air forces in its name. We will see to it that everything goes on smoothly.

On 20 June two days later, he clamored: The purpose of my visit to South Korea as a special envoy of President

Truman is to study the situation about the preparations for a war—which we have actively pushed for—and to present my opinion that you had better not hesitate in launching a northward invasion if there is nothing insufficient. In my opinion, everything has been prepared satisfactorily. As long as preparations have been made, the sooner, the better.

Dulles then gave an order that a northward invasion be launched on 25 June.

In June 1950, at that time, Robert, director of the U.S. military advisory group, spat out the inside truth by saying: Why did we choose the date of 25 June? Herein lies our prudent intention. June 25th is a Sunday. The United States, a Christian country, and South Korea regard Sunday as a Sabbath Day. No one will believe that we launched a war on a Sunday. In other words, this is aimed at making people believe that we have not ignited a war first.

It is a stereotyped trick of the United States to wickedly maneuver to shift its responsibility for a provocation onto another's shoulders.

In his book entitled "A Secret History of the Korean War," an American reporter exposed: The United States Government has already prepared a draft of a resolution to be used at the United Nations. Without undergoing (?negotiations) and investigation at the UN Security Council, it demanded that the United Nations brand North Korea an aggressor.

An American critic disclosed: The news about 25 June, 1950 that North Korea attacked South Korea has been come out of the pockets of Syngman Rhee and MacArthur.

The true nature of the war provokers was made clear also in a report filed by the UN Commission on Korea to the UN Secretary General on 24 June, one day before the provocation of the war.

The report pointed out: Up to now, our commission has not received any information from any intelligence organization that the North Korean armed forces have an attempt for an aggression. On the contrary, the North Korean regime is now absorbed in implementing the two-year people's economy.

(Herringer), a former professor of the University of Pennsylvania, pointed out: The one that was dealt an unexpected blow was not the United States, but the communist camp.

An American scholar (Meier) exposed the truth by noting: The People's Army launched a counterattack after withdrawing two to three kilometers on all fronts of the 38th Parallel after having been dealt an unexpected attack from the South Korean Army.

Like this, the United States believed that its scenario for provoking the Korean War would remain a secret forever. But, it has been fully revealed to the world by Americans' own confessions, documents, and the world's media.

The truth about the U.S. imperialists' provocation of the Korean War can never be covered up.

Premier Informs ROK of DPRK Delegates to Talks

SK2506015294 Pyongyang Korean Central Broadcasting Network in Korean 0123 GMT 25 Jun 94

[“Telephone message” from Kang Song-san, premier of the DPRK Administration Council, to the South Korean Prime Minister on 25 June—read by announcer]

[Text] Kang Song-san, premier of the DPRK Administration Council, today sent a telephone message to the South Korean prime minister informing him of the list of our side’s delegation to a preliminary contact for a North-South summit. The telephone message is as follows:

I inform you of the list of our side’s delegation to a preliminary contact for a North-South summit as follows:

Head of the delegation: Kim Yong-sun, chairman of the Reunification Policy Committee of the Supreme People’s Assembly.

Delegates: An Pyong-su, vice chairman of the Committee for the Peaceful Reunification of the Fatherland; Paek Nam-chun, responsible councilor [chaegim chamsa] in the Administration Council.

KCNA Lists Delegates

SK2506051494 Pyongyang KCNA in English 0503 GMT 25 Jun 94

[Text] Pyongyang, June 25 (KCNA)—Premier of the DPRK Administration Council Kang Song-san sent a telephone message to his South Korean counterpart on June 25, informing him of the list of the delegates of the North side to the preliminary contact for inter-Korean top-level talks.

The telephone message says:

I inform you of the following list of the delegates of our side to the preliminary contact for the North-South top-level talks:

Chief delegate: Kim Yong-sun, chairman of the Reunification Policy Committee of the Supreme People’s Assembly

Delegate: An Pyong-su, vice-chairman of the Committee for the Peaceful Reunification of the Fatherland

Delegate: Paek Nam-chun, chief councillor of the Administration Council.

U.S., ROK Stage Joint ‘Air War Exercise’

SK2506045694 Pyongyang KCNA in English 0440 GMT 25 Jun 94

[Text] Pyongyang, June 25 (KCNA)—Scores of warplanes of the U.S. Seventh Airforce and Marines staged a joint air war exercise against the DPRK in the skies above Taejon, Chonju and Kunsan, South Korea, on June 22, military sources said.

An overseas-based E-3 was involved in the exercise.

In the June 21-23 period scores of large transport planes airlifted large quantities of up-to-date lethal weapons and military equipment to U.S. Airforce bases in South Korea from the U.S. mainland and Pacific bases.

This fully shows that although the U.S. imperialists pay lip service to peace and detente on the Korean peninsula, they have not given up the ambition for invading the DPRK.

U.S. Groups Hold Meeting for Peace in Korea

SK2406113094 Pyongyang KCNA in English 1026 GMT 24 Jun 94

[Text] Pyongyang, June 24 (KCNA)—An emergency meeting for peace in Korea took place in Washington on June 14.

The meeting was attended by representatives of some 30 organizations and figures, including Yim Chang-yong, former South Korean ambassador to the United Nations, the Rev. Syngman Rhee, former president of the National Council of the Churches of Christ in the United States of America, the executive director of the American Committee on Korea and a representative of the One Korea Movement.

Speaking at the meeting, Yim Chang-yong called for the U.S. Government to hold negotiations for a fundamental solution of the Korean question, and the Rev. Syngman Rhee said the U.S. Government should explore possibilities of normalizing diplomatic and trade relations with North Korea.

An appeal adopted at the meeting contended that the nuclear crisis should be solved peacefully through continued dialogue and negotiation. The United States and North Korea should continue high-level talks for a solution of the nuclear crisis and normalization of relations, it said.

It stressed that in order to ease the military tension in Korea the U.S. Government should sign a peace agreement with North Korea and terminate the state of ceasefire in Korea and that the nuclear issue must be solved along with all other issues between the United States and North Korea through a package agreement, not by fragmentary proposals.

The U.S. Government should continue to explore possibilities of normalizing diplomatic and trade relations with North Korea, the appeal said, adding that the way of dialogue should be used in every way to reach a mutually acceptable agreement.

American Friends Group Urges Peaceful Solution

SK2306213494 Pyongyang KCNA in English 1501 GMT 23 Jun 94

[Text] Pyongyang, June 23 (KCNA)—The American Friends Service Committee in a statement June 14 called for a peaceful solution to the Korean question. It said the U.S. authorities must give the top priority to the welfare and interests of the 70 million Korean people with regard to the problem of the Korean peninsula.

Urging the United States to declare no more that it regards military action as a policy option on the Korean peninsula, the statement said it must admit that dialogue and negotiation are the most reasonable and just means of ironing out its differences with the DPRK.

It said attention must be drawn to the danger of the nuclear weapons possessed by nuclear states including the United States and steps be taken for a total elimination of nuclear weapons.

All parties concerned must, above all, prevent the recurrence of the destructive war in Korea, it said.

It warned that international "sanctions" will only increase the tension. We consider a permanent solution to the question is dialogue, not the means of arms, it said.

More Reports From Foreign Media on Carter Visit

SK2506044994 Pyongyang KCNA in English 0438 GMT 25 Jun 94

[Text] Pyongyang, June 25 (KCNA)—Foreign media reported about former U.S. President Jimmy Carter's visit to Korea.

The Thai paper THE NATION June 20 said Carter's visit well showed that President Kim Il-song is an outstanding leader with a rare diplomatic ability without parallel.

The paper quoted Carter as saying President Kim Il-song is a very wise leader.

The Italian paper LA STAMPA June 21 said that concluding his visit to Pyongyang, Carter hugged President Kim Il-song, saying he is a brilliant leader full of energy.

The PAKISTAN TIMES June 19 quoted Carter as saying that President Kim Il-song is courageous and intelligent and is wonderfully versed in nuclear and many other matters.

The radio of Zambia June 18 reported that the former U.S. President at a press conference in Seoul after his visit to North Korea said "sanctions" against North Korea would not be of much effect because it has an independent national economy.

KCNA Denounces ROK Party Chairman's Remarks

SK2406082694 Pyongyang KCNA in English 0432 GMT 24 Jun 94

["War Clamour Against Dialogue"—KCNA headline]

[Text] Pyongyang, June 24 (KCNA)—Kim Chong-pil, chairman of the South Korean "Democratic Liberal Party", recently showed up at an army unit on the forefront along the Military Demarcation Line and blared that if a war broke out he "would fight on the front even as a private second class." And the words "preparedness" and "resolution" came from "a meeting of main commanders" of the puppet army.

Commenting on this, NODONG SINMUN today brands this as an agitation of war against dialogue.

The analyst says:

Now the fellow countrymen in the North and the South and the whole world are hailing the opening of the road of a peaceful solution to the nuclear issue on the Korean peninsula through dialogue. At this moment, Kim Chong-pil and other war-thirsty elements of South Korea drove to the forefront along the Military Demarcation Line and incited confrontation and war. This is an intolerable challenge to the entire compatriots and the world peace-loving people.

Kim Chong-pil is the man who bartered away the interests of the nation to the aggressors who had forced colonial slavery upon the Korean people by playing the leading role in the conclusion of the South Korea-Japan "agreement."

If the traitor Kim Chong-pil is a Korean, how could he sell off the interests of the nation to outside forces and can seek today a fratricidal war which would lead to national destruction.

Such bellicose elements as Kim Chong-pil must be removed, if the war danger is to be averted on the Korean peninsula and the reunification question be solved peacefully.

Should the South Korean war-likers persistently follow the road of war, creating new obstacles to the dialogue, they will only meet their destruction.

ROK Railroad Workers' 'Struggle' Reported

SK2606085994 Pyongyang KCNA in English 0819 GMT 26 Jun 94

[Text] Pyongyang, June 26 (KCNA)—The National Council of Representatives of Trade Unions (Chonnodae) of South Korea called a press conference on June 24 as regards the authorities' suppression of the National Council of Locomotive Workers (Chongihyop) and made public a four-point demand including the resignation of the "home minister", withdrawal of the prior issue of a warrant for the arrest of the chairman of the Seoul subway workers union and resumption of sincere negotiation with Chongihyop, according to a radio report from Seoul.

It declared that if its demand is not met, more than 30 trade unions under Chonnodae including the Hyundai Heavy Industries would enter a general strike from June 27 and arouse other trade unions to it for a nationwide joint strike.

On the same day, some 500 students joined 1,800 unionists of the Seoul subway in their sit-down strike at Kyunghui University and over 200 locomotive engineers under Chongihyop staged an all-night sit-in struggle in demand of an open apology from the "government" for infiltrating government power into the Christian Hall in Seoul.

Meanwhile, the Pusan subway workers union entered a total strike at break of June 25 and as many as 360 academic and other public figures and workers in North Cholla Province published an emergency declaration on the

present situation which called for an immediate stop to the suppression of the democratic forces.

Rally Held in Support of Workers

*SK2706051794 Pyongyang KCNA in English 0454
GMT 27 Jun 94*

[Text] Pyongyang, June 27 (KCNA)—The joint measure committee for the improvement of railway and subway working conditions held a rally of workers and citizens for denouncing the suppression of the National Council of Subway Workers Unions (Chonjihyop) in Seoul on June 25 with the attendance of more than 1,000 workers, dissident figures and students, according to a radio report from Seoul.

The participants in a resolution held that the invocation of "government" power by the authorities was a clear violation of the "actual law" and demanded six points including the resignation of the "home minister" who had illegally set police in-motion, the release of the detained workers, scrapping of the want list and the revision of the evil labour law.

A co-representative of the National Council of Trade Union Representatives (Chonnodae), Kwon Yong-kil, declared at the rally that in case the authorities failed to accept the demand of the workers, they would answer with an allout struggle including a solidarity strike on June 27.

After the rally, the participants took part in the function of "June 25 grand torch procession for national reconciliation and peace" sponsored by the preparatory committee for the formation of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon), and marched to subway stations in the city and distributed copies of a literature to citizens.

In a separate action, the National Locomotive Council (Chongihyop) which entered the second day of a sit-in in Seoul held a press conference on June 24 and declared that the engine drivers affiliated with it would never go back to work, if their demand for the release of the detainees, apology for the invocation of "government" power and the withdrawal of police force was not met.

Pro-DPRK Literature Reportedly Sent to ROK

*SK2706050994 Pyongyang KCNA in English 0447
GMT 27 Jun 94*

[Text] Pyongyang, June 27 (KCNA)—A literature containing "10-point programme of the great unity of the whole nation for the reunification of the country" which was published by the great leader President Kim Il-song was distributed in the Cheju area, the southernmost part of South Korea, a Seoul-based radio report said.

It was reportedly sent to HALLA ILBO and other local newspapers at midnight on June 24.

Upset by this, the South Korean authorities mobilized prosecutors and police in an investigation.

Japanese Involvement in Korean Conflict Detailed

*SK2406155494 Pyongyang KCNA in English 1527
GMT 24 Jun 94*

[“Japan Directly Involved in War of Aggression on Korea—Memorandum of DPRK Institute for International Affairs”—KCNA headline]

[Text] Pyongyang, June 24 (KCNA)—The DPRK Institute for International Affairs on June 23 published a memorandum opening to the world public concrete data proving that Japan participated in the June 25 1950-July 27 1953 war of aggression on Korea. The memorandum was released when the revived Japanese militarists have been creating a grave danger to peace and security not only on the Korean peninsula but also in the rest of Asia, not bothering to conceal their intention to commit another military aggression against the Korean people. The memorandum consists of four parts, "1. Japan prepared with the United States for a war of aggression on Korea", "2. Japan served U.S. Forces as a logistic base, supply base, repair base and attack base during the Korean war", "3. Japan was directly involved in the Korean war" and "4. Japan directly participated in the germ warfare, too".

According to the memorandum, 850 munitions factories had been returned to Japanese monopoly capitalists by the U.S. occupation forces in Japan by 1949, and 645 Japanese arms factories had resumed production toward the end of 1949. (Japanese book "Postwar History of Japan" Part I, 1970 edition, p. 60).

In 1949, the year before the outbreak of the war in Korea, Japanese arms factories supplied the South Korean puppet army with 40,000 rifles, more than 2,000 bazookas and 40,000 shells, a large number of 105 mm howitzers and 37 mm and 57 mm anti-tank guns, flame throwers, 60-80 mm mortar guns and 700,000 shells, mines and over 2,000 machine guns and submachine guns and upwards of 4,900 trucks. (Japanese book "Reunification of Korea and Human Rights", 1976 edition, p. 116).

The United States reorganized and rearmed the Japanese Army under the name of "police". In March 1948 the United States enforced a new police system in Japan and increased the police force to 125,000 men and armed them with weapons and equipment of U.S. Army's type.

In a letter to the then Japanese Prime Minister Yoshida July 8, 1950, Macarthur, the then commander of the U.S. Forces in the Far East, instructed him to found a new "police reserve force" 75,000 strong and reinforce the existing military strength of the maritime safety agency by 8,000 men. Subsequently, the Japanese Government enacted Decree no. 260 and organized the "police reserve force" with soldiers of the old Japanese Army. (Japanese book "History of Japan", Vol. 22, "Contemporary History I," 1977 edition).

While the Korean war was raging, Japan was virtually a warring party which played the role of both a quite actual logistic base and munitions factories. (South Korean magazine "MAL", June, 1990).

The United States purchased various kinds of munitions it needed from Japan. The specially ordered munitions for the Korean war in the period from May to the end of 1950 amounted to about 300 million dollars. (Japanese book "Japanese Imperialism and Military Industry", 1979 edition, p. 80).

Napalm bombs called a devilish weapon in the Korean war was mass produced by the Nissan Motors, (?Shii) Iron, Toyo Heat Industries, Fuji Industries-Handa, Showa Motors and other Japanese companies, and this accounted for 90 percent of the special orders for the U.S. Airforce in the Far East. (Japanese book "Modern History of Korea", 1953 edition, p. 266).

In the period from May 1952 to June 1953 Japanese factories produced and supplied to the U.S. Forces about 2,000 artillery pieces of different calibres, 7,656 bazooka-type anti-tank guns, 400,000 rocket shells, 1,200,000 shells, 2,300,000 mines of various kinds and 2,200,000 handgrenades. (Japanese magazine "ECONOMIST", June, 1952).

Japan earned a colossal amount of money and laid a groundwork for "a high-rate economic growth" by producing and supplying weapons and military equipment specially ordered for the U.S. Forces in the Korean war. (South Korean magazine "MAL", June, 1990, p. 164).

But for the Korean war, there would have been no high-rate growth of Japan. (Japanese book "Basic Vision of the Korean Question", 1976 edition, p. 178).

The U.S. imperialists installed and used 612 military bases and setups in Japan during their war of aggression on Korea.

U.S. warplanes made 700 to 800 sorties daily, 900 to 1,000 sorties at times, from their Airforce bases in different parts of Japan including Okinawa and Aomori for promiscuous scorched-earth operations. (Book of the former Soviet Union "Korea Revives", 1956 edition).

The main force of the U.S. First Marines Division got aboard ships at Nagoya, Japan, and the Seventh Infantry Division at Yokohama and the Seventh Fleet rounded off preparations at Sasebo for a landing operation in Inchon, Korea. (Japanese book "Korean War" Vol. 4, 1969 edition)

Most of the ground, Naval and Air Forces of the United States conducted operations with Japan as their bases. (Japanese book "Postwar History of Japan" 1941 edition, p. 65)

The Japanese reactionary ruling quarters expressed their will to participate in the Korean war before the war broke out.

Hirokawa of the Liberal Party, a friend of then Japanese Prime Minister Yoshida, in July 1949 called for participating in a possible war on the side of the United States, saying that the "duty of the Japanese is to join their efforts with the United States." (Book of the former Soviet Union "U.S. Imperialism in Japan," 1951 edition, p. 100)

A reporter of TELEPRESS said in February 1951 that the United States recruited 140,000 Japanese for a war against the Korean people. (Book of the former Soviet Union "U.S. Imperialism in Japan," 1951 edition, p. 49)

Japan disguised the Japanese unit as "unit of Japan-resident Korean volunteers" to conceal its investment in the Korean war. (Japanese book "History of Modern Korea" 1953 edition, p. 266)

In September 1950, 30,000 Japanese were attached to U.S. technical and transport units to participate in the landing operation in Inchon and 10,000-strong Japanese "police reserve force" took part in military actions on the side of the aggressor. (Book of the former Soviet Union "U.S. Imperialism in Japan," 1951 edition, p. 49)

Mine sweeping was mostly done by the Japanese Navy before the landing operations of the U.S. Forces, and Japanese ships were mobilized in the transport of U.S. war supplies.

According to data announced by the ships bureau of the Japanese Ministry of Fisheries on October 14, 1950, Japan mobilized 248 ships for the Korean war from July to October 1950, transporting 995,800 tons of U.S. war supplies.

And Japan mobilized transport ships from November to December 1950 to ensure the retreat of the Tenth Army Corps of the U.S. imperialist aggression forces which was hit hard in the northern half of Korea. (South Korean magazine "MAL" June 1990)

Japan served as the base of the germ warfare of the U.S. imperialists in Korea.

The U.S. medical institute in Omiya, Saitama Prefecture, had taken over the bacteriological institute of the Japanese Army. The U.S. Forces manufactured bacteriological weapons there through researches.

The U.S. imperialists mobilized germ experts of the old Japanese Army, war criminals, in a germ warfare in Korea. ("Report of the International Academic Committee on the Investigation Into the Germ Warfare in Korea and China," 1952 edition, pp. 12-13)

The U.S. imperialists had planned a germ warfare against the Korean people from the end of 1950 and conducted living body experiments on prisoners of war with germ weapons manufactured in Japan.

TASS from Prague and TELEPRESS from Rangoon December 12, 1951, reported that a warship carrying Shiro Ishii, Tsujiro Koetsu, Masaji Kitano and other germ experts of Japan left for Korea to participate in a germ warfare. (South Korean magazine "MAL", June 1990)

The U.S. imperialists killed tens of thousands of innocent Koreans by spreading pest, cholera, smallpox, typhoid and other infectious diseases with germ weapons with the help of Japan during the Korean war.

They dropped large quantities of germ weapons on Sinchon county of Hwanghae Province, Munchon county of

Kangwon Province, Pyongwon, Ongchon, Yongwon and Taedong counties of South Pyongan Province and other areas in the February- May period of 1952.

Thus, Japan inflicted immeasurable misfortunes and sufferings on the Korean people by participating in the war of aggression in Korea started by the U.S. Imperialists, in violation of international laws and its "peaceful" Constitution.

The Japanese militarists, far from drawing a lesson from the history, scheme to jump into flames, pining for the days of the Korean war of aggression when they "acquired a windfall, roasting chestnut in the flames." Those who are fond of fire are fated to die in fire.

If the Japanese reactionaries expect another "shower of gold" in a "second Korean war", it is a big mistake.

Koreans in Japan Delegations Arrive 24 Jun

*SK2506012794 Pyongyang KCNA in English 1534
GMT 24 Jun 94*

[Text] Pyongyang, June 24 (KCNA)—Kenichi Ogami, director of the Secretariat of the International Institute of the Chuche Idea, and his party arrived here today.

Kim Su-sik, director of the General Secretariat of the Central Standing Committee of the General Association of Korean Residents in Japan, a home-visiting group of Korean students in Japan and the 216th short-term home-visiting group of Koreans in Japan arrived in Wonsan today by the ship "Mangyongbong-92" on a visit to the socialist homeland.

'Suppression' of Koreans in Japan Denounced

*SK2406055594 Pyongyang KCNA in English 0407
GMT 24 Jun 94*

[Text] Pyongyang, June 24 (KCNA)—Mass rallies have been held in different parts of Korea to denounce the Japanese reactionaries' suppression of the General Association of Korean Residents in Japan (Chongnyon) and Koreans in Japan.

Rallies took place in Kaesong adjacent to the Military Demarcation Line and Sariwon, the seat of North Hwanghae Province, on June 22 and 23.

The speakers at the rallies denounced the recent raid on the office of the Kyoto prefectural headquarters of Chongnyon by Japanese police and its search of 27 places including houses of Chongnyon officials on charges of "violation of the national land utilization law" as a brigandish fascist outrage and political suppression which was committed in broad daylight on no reasonable ground.

They strongly demanded the Japanese authorities ponder over the grave consequences that might arise from their anti-DPRK, anti-Chongnyon campaign, immediately stop such barbaric acts, sincerely apologize for all their crimes and punish the criminals.

They urged the Japanese authorities to ensure the Chongnyon officials and Koreans in Japan all legitimate rights and treatment as foreigners and fully guarantee their human rights according to the principles of international law and international usage.

End Urged to 'Outrages' Against Koreans in Japan

*SK2606091294 Pyongyang KCNA in English 0828
GMT 26 Jun 94*

[Text] Tokyo, June 24 [date as received] (KNS-KCNA)—The Union of Korean Teachers in Japan, the Central Educational Association of Koreans in Japan and the Society of Mothers for Defending Human Rights of Students of Korean Schools published a joint appeal on June 24 with regard to the continuous outrages against Korean students in Japan and sent it to the secretary-general of the United Nations, the UN Human Rights Committee, missions of all countries in the United Nations, non-governmental organizations of different countries, international organizations and governments and lawyers' organizations around the world.

The appeal said the cases of national persecution and human rights abuses against Korean students in Japan totalled more than 120 in the period from April to June 21 and there is no sign of an end to such incidents.

It noted that such incidents have occurred mainly because the Japanese Government and news media fostered distrust and antagonism against the Democratic People's Republic of Korea among the people and they are an immediate product of the consciousness of discrimination and senses of chauvinism against the Korean people with which the Japanese Government authorities intentionally imbued the Japanese people.

"We urgently call on your organization (government) that respects justice, democracy, humanitarianism and human rights to urge the Japanese Government authorities to stop national persecution and human rights abuses against Koreans in Japan and immediately take effective steps to prevent such incidents. [no closing quotation mark as received]

Envoy: Russian Nuclear Reporting Said 'Distorted'

*SK2406134394 Pyongyang Korean Central
Broadcasting Network in Korean 1100 GMT 24 Jun 94*

[Text] A hearing on the nuclear issue on the Korean peninsula was held at a meeting of the International Affairs Committee of the Russian State Duma on 20 June. Participating in the hearing were Vladimir Lukin, chairman of International Affairs Committee of the Russian State Duma; deputies to the State Duma who are members of the committee; Mikhail Titarenko, director of the Russian Academy of Sciences Far East Institute; functionaries of relevant sectors; and functionaries of the publication and reporting sector.

Son Song-pil, DPRK ambassador to Russia, and functionaries of the embassy were invited to the meeting.

The DPRK ambassador spoke first at the hearing, which was headed by the chairman of the Russian State Duma International Affairs Committee. He said that reports in Russian publications on the nuclear issue on the Korean peninsula were mostly distorted and showed sympathy with the U.S. and other Western countries' reports. He explained the origin of the nuclear issue on the Korean peninsula and our Republic's consistent position and efforts to resolve it.

Ambassador Son Song-pil answered questions by the State Duma deputies and those concerned in Korean affairs. Answering the question related to Russia's proposal for an international meeting on the nuclear issue on the Korean peninsula, he said: We admitted that if the international meeting proposed by Russia is held on the principle of equality and impartiality, if the DPRK-U.S. talks broke down, it can be a way to resolve the nuclear issue peacefully, adding that we would study it if a specific plan is put forward. However, we cannot approve of it if you urge us to hold an international meeting while sanctions are imposed on us. Dialogue and sanctions are incompatible. We will take appropriate countermeasures against sanctions according to their scale. Our position is to respond to dialogue with dialogue and to war with war.

Kim Il-song Receives Reply Message From Yeltsin

SK2606104694 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 23 Jun 94

[Text] The great leader Comrade Kim Il-song received a reply message from Russian Federation President Boris Nikolayevich Yeltsin for sending him a congratulatory message on Russia's national holiday.

The reply message follows:

Pyongyang.

Your Excellency DPRK President Kim Il-song:

Your Excellency respected Kim Il-song, I express thanks to you for sending congratulations and magnificent wishes on the occasion of Russia's national holiday, a day in which the declaration on the Russian Federation's national sovereignty was adopted.

[Signed] Yeltsin

[Dated] 16 June 1994, Moscow, Kremlin

Receives Letter From Zhirinovskiy

SK2606133594 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 24 Jun 94

[Text] The great leader Comrade Kim Il-song received a solidarity letter from Zhirinovskiy, chairman of the Russian Liberal Democratic Party, supporting our people's cause for peace and peaceful reunification on the Korean peninsula.

The letter is as follows:

Pyongyang.

To DPRK President Comrade Kim Il-song:

Dear Comrade Kim Il-song, on behalf of the great Russian people and the Russian Liberal Democratic Party, which was chosen by the Russian people to speak for their interest, I send you a solidarity letter.

The Russian people are facing the world imperialists' pressure, which is being inflicted upon the fraternal DPRK, with anger and indignation. We, who are Russians, regard that as a sovereign state, the DPRK has a complete right to conduct voluntary science and research work to safeguard its people's welfare and interest.

I attentively studied your country's history and know very well that just like Russia, Korea's patriotism was not to occupy another country's territory, but to safeguard even an inch of their land. Korea has never committed an aggressive war. The *chuche* idea is a manifestation of the traditional Korean-style patriotism.

Russians are well aware of the fact that the DPRK never threatened another country and does not threaten another country, but that as a sovereign state, it will not allow anyone to attempt to yield the DPRK for its interest. Also, we do not want other countries to force their intention on the DPRK.

History shows that when it came time for the DPRK to defeat outside aggression, the Russian people sincerely helped the DPRK. Currently, we are supporting your policy to peacefully resolve the country's division. I think that the 10-point program of great national unity for the fatherland's reunification, which you put forth, is the most magnificent, practical, and just road for the country's reunification.

In the name of the Russian people, I wish that the fraternal Korean people can establish a national, peaceful, non-aligned, and neutral reunified state in the form of a confederal system as soon as possible.

[Signed] Zhirinovskiy

[Dated] 21 June 1994, Moscow

Russian Party Official Praises Kim Chong-il

SK2506013094 Pyongyang KCNA in English 1507 GMT 24 Jun 94

[“Comrade Kim Chong-il is Beacon of Mankind and Symbol of Anti-Imperialist Struggle”—KCNA headline]

[Text] Moscow, June 21 (KCNA)—A.A. Rapin, secretary of the Central Committee of the All-Union Bolshevik Communist Party, had an interview with the KCNA correspondent in Moscow on June 20 on the occasion of the 30th anniversary of the start of work by the dear leader Comrade Kim Chong-il at the Central Committee of the Workers' Party of Korea [WPK].

A.A. Rapin stressed:

Comrade Kim Chong-il, a great man of the world, is a symbol of all the people who are against the scheme to establish international order under the manipulation of the U.S. imperialists, a beacon of mankind and an emblem of the international anti-imperialist struggle.

The dear leader Comrade Kim Chong-il's start of work at the Central Committee of the Workers' Party of Korea 30 years ago was a historical event of epochal significance in strengthening and development of the WPK and in the development of the Korean revolution.

The WPK has made a distinguished contribution to the development on the international communist movement.

A clear example is that the WPK proposed to adopt the "Pyongyang declaration" signed by more than 210 communist and workers' parties and revolutionary and progressive parties of the world.

The "Pyongyang declaration" is a banner of struggle and victory which gives hope to human beings and arouses them to a new struggle.

The dear leader Comrade Kim Chong-il has made a great contribution to the development of the international communist movement by publishing many famous works including "The historical lesson in building socialism and the general line of our party," "On the fundamentals of revolutionary party building" and "Abuses of socialism are intolerable."

His works solemnly declared that although socialism was frustrated in the Soviet Union and some other countries, it would not change the desire of the world people for their liberation.

Works of Comrade Kim Chong-il were a powerful ideological weapon which practically dealt a fatal blow at the bourgeois propaganda campaign of the world.

Comrade Kim Chong-il, marshal of the Democratic People's Republic of Korea, is an outstanding military strategist and an ever-victorious, iron-willed brilliant commander.

It is not accidental that the DPRK is fully ready to make a decisive counter-attack on the imperialist adventurers under the outstanding guidance of Comrade Marshal Kim Chong-il, supreme commander of the Korean Peoples' Army, at the most difficult time when the U.S. imperialists are scheming to isolate and stifle the DPRK, a small country.

The imperialists dare not pounce upon the DPRK because of the iron will and unrivalled grit of Comrade Kim Chong-il.

We will actively propagandize achievements of the DPRK, the wisdom of the guidance of the Korean leadership in particular.

Kim Il-song Receives Reply From Polish President

SK2606112794 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 24 Jun 94

[Text] The great leader Comrade Kim Il-song received a reply message from Polish President Lech Walesa for sending him a congratulatory message on the occasion of the Polish people's national holiday.

The reply message follows:

Pyongyang.

Your Excellency DPRK President Kim Il-song:

Your Excellency respected president, I express sincere gratitude to you, Your Excellency president, for sending congratulations and wishes on Poland's national holiday. Through this opportunity, I hope that magnificent results can be achieved in the works of your Excellency president and the DPRK people.

[Signed] Polish President Lech Walesa

[Dated] 17 June 1994, Warsaw

Overseas Koreans Reportedly Demonstrate at UN

SK2606085494 Pyongyang KCNA in English 0810 GMT 26 Jun 94

[Text] Pyongyang, June 26 (KCNA)—The coalition of the Korean National Democratic Movement in America and the Coalition of the Overseas Korean Youth Movement reportedly co-sponsored a "demonstration for peace in Korea" in front of the building of the United Nations organisation on June 22.

The demonstrators marched with slogan-boards reading "No to 'sanctions' against North Korea" and "Yes to peaceful solution to nuclear issue."

On June 17, the organisations distributed a notice on the schedule of the demonstration and a statement on the situation under the title "Korean peninsula at crossroad of war or peace—peaceful solution is way out."

Foreign Groups Send Letters to IAEA on Japan

SK2506213894 Pyongyang KCNA in English 1508 GMT 25 Jun 94

[Text] Pyongyang, June 25 (KCNA)—Letters were sent from Mozambique and Malaysia to the director general of the International Atomic Energy Agency [IAEA] over Japan's concealment of plutonium.

The Mozambican committee for friendship with the people of the DPRK in its letter said: "The IAEA is continuously making a fuss about the 'nuclear issue' of Korea while keeping mum about Japan's concealment of plutonium. This is aimed at stifling socialist Korea at any cost."

"To destroy socialist Korea where the leader, the party and the masses are united in one mind is no more than a foolish dream," said the letter, urging the IAEA to make an issue of Japan's concealment of plutonium and probe its truth.

The Malaysian action front in its letter said the IAEA should strongly urge the U.N. Security Council to take sanctions against Japan which is continuously stockpiling plutonium in defiance of world opinion and concern.

PRC Military Delegation Lays Wreaths

SK2606110094 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 23 Jun 94

[Text] A friendship visiting group of the Chinese People's Liberation Army [PLA] led by General Wang Ke, commander of the Shenyang Military Area Command of the PLA, which is visiting the DPRK, laid wreaths at the Taesongsan Revolutionary Martyrs Cemetery and the Friendship Tower on 22 June.

Nampo City WPK Delegation Departs for China

SK2706121094 Pyongyang KCNA in English 1023 GMT 27 Jun 94

[Text] Pyongyang, June 27 (KCNA)—A party workers delegation of the Workers' Party of Korea led by Kim Sang-muk, secretary of the Nampo Municipal Party Committee, left Pyongyang today by train for a visit to China.

Kim Il-song's Works Reported, Studied Abroad

SK2406113294 Pyongyang KCNA in English 1010 GMT 24 Jun 94

[Text] Pyongyang, June 24 (KCNA)—The great leader President Kim Il-song's famous work "Answers to questions raised by the general director of the Latin America News Agency 'PRENSA LATINA'" was carried by the Nepalese paper HINDU DAINIK, the Hungarian paper SZABADSAG and the Colombian paper VOZ.

A seminar on the work was held in Karachi, Pakistan.

In his report, Abdul Rahim Baluch, political adviser to the prime minister of the Sind provincial government of Pakistan, said the nuclear issue on the Korean peninsula was caused when the United States shipped nuclear weapons into South Korea. This is attributable to the U.S. hostile policy toward the DPRK, he said.

The United States recently manipulated the International Atomic Energy Agency to adopt an unreasonable "resolution" against the DPRK, he noted, adding that pressure can never be a way of resolving the issue.

Foreign Groups Depart Pyongyang After Visit

SK2406015694

[Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean carries reports on 21 and 23 June on the departures of various foreign groups after the conclusion of their visits to the DPRK.

At 1100 GMT on 21 June, the radio reports on the departure of Mutsuko Miki, wife of a former Japanese prime minister, and her family on 21 June. They were seen off by O Mun-han, vice chairman of the Committee for Cultural Relations With Foreign Countries.

At 1100 GMT on 21 June, the radio also reports on the departure of a delegation of the International Committee of the Red Cross led by its delegate general for Asia and Pacific, Jean Michel Monod, on 21 June.

At 1300 GMT on 23 June, the radio reports on the 23 June departure of the friendship visiting group of the Swedish Communist Party of Marxist-Leninist Revolutionaries led by Roger Gross, member of the Political Bureau of the Central Committee of the party, sent off by (Yim Sun-pil), director of a department of the Central Committee of the Workers Party of Korea.

Further on Visit by Bangladesh Party Delegation

Meeting With WPK 23 Jun

SK2306213594 Pyongyang KCNA in English 1505 GMT 23 Jun 94

[Text] Pyongyang, June 23 (KCNA)—A delegation of the Workers' Party [WPK] of Korea had talks here today with the visiting delegation of the Bangladesh National Socialist Party.

Present at the talks on the WPK side were Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea; Kim Yang-kon, a vice department director of the C.C. [Central Committee], the WPK, and officials concerned and on the opposite side was the delegation led by General Secretary Hasanul Huq Inu.

At the talks, the host side explained the efforts of the WPK to defend the cause of socialism and stressed the need for the communist and workers' parties of the world to unite more closely under the present international situation characterized by the undisguised anti-socialist campaign of the imperialists.

The guest side branded the nuclear clamour of the U.S. imperialists against the Korean people as part of their intrigues to stifle socialism of Korea and hinder the reunification of the country and expressed full support and solidarity for all measures taken by the WPK and the DPRK Government in face of the prevailing situation.

The guest side also expressed full support to the chuche idea authored by the great leader President Kim Il-song and manifested its firm position to fight to continuously defend the spirit of the Pyongyang declaration.

The sides discussed further development of the friendly relations between the two parties at the talks which proceeded in a friendly atmosphere.

Kim Il-song Receives Party Delegation

SK2506110094 Pyongyang KCNA in English 1012 GMT 25 Jun 94

[Text] Pyongyang, June 25 (KCNA)—The great leader President Kim Il-song today received the visiting delegation of the Bangladesh National Socialist Party led by its General Secretary Hasanul Huq Inu.

On hand were secretary Hwang Chang-yop and a vice department director Kim Yang-kon of the C.C. [Central Committee], the Workers' Party of Korea.

President Kim Il-song had a conversation with the guests in a cordial and friendly atmosphere. He gave a luncheon for the guests.

Gift Delivered to Kim Il-song

*SK2506110194 Pyongyang KCNA in English 1013
GMT 25 Jun 94*

[Text] Pyongyang, June 25 (KCNA)—Visiting general secretary of the Bangladesh National Socialist Party presented a gift to the great leader President Kim Il-song.

The gift was conveyed to Secretary of the C.C. [Central Committee], the Workers' Party of Korea Hwang Chang-yop by General Secretary Hasanul Huq Inu.

Kim Chong-il Receives Gift

*SK2506110294 Pyongyang KCNA in English 1014
GMT 25 Jun 94*

[Text] Pyongyang, June 25 (KCNA)—Visiting general secretary of the Bangladesh National Socialist Party presented a gift to the dear leader Comrade Kim Chong-il.

The gift was conveyed to Secretary of the C.C. [Central Committee], the Workers' Party of Korea Hwang Chang-yop by General Secretary Hasanul Huq Inu.

Further on Visit by Thai Parliamentary Delegation

Delegation Tours Pyongyang

*SK2706001894 Pyongyang Korean Central
Broadcasting Network in Korean 0100 GMT 23 Jun 94*

[Text] A delegation of the upper house of the Kingdom of Thailand, led by Speaker Michai Ruchuphan on a visit to our country Korea, laid wreaths at the Taesongsan Revolutionary Martyrs Cemetery on 22 June.

Yang Hyong-sop, chairman of the Supreme People's Assembly and Yu Ho-chun, member of the Standing Committee of the Supreme People's Assembly, were present.

On 22 June, the delegation of the upper house of the Kingdom of Thailand visited Mangyongdae, and inspected the Three Revolutions Memorial Hall and Mansudae Assembly Hall.

On 22 June, the guests also watched general acrobatic performances at the Pyongyang Acrobatic Theater.

Kim Il-song Receives Delegation

*SK2406113394 Pyongyang KCNA in English 1048
GMT 24 Jun 94*

[Text] Pyongyang, June 24 (KCNA)—The great leader President Kim Il-song today received a delegation of the upper house of the Kingdom of Thailand led by speaker Michai Ruchuphan on a visit to Korea.

Present there were Chairman Yang Hyong-sop and Vice-Chairperson Yo Yon-Ku of the Supreme People's Assembly [SPA], member of the SPA Standing Committee Yu Ho-chun and Vice-Minister of Foreign Affairs Cho Kyu-il.

President Kim Il-song had a cordial and friendly talk with the guests.

He arranged a luncheon for them.

Delegation Head Cited on Relations

*SK2706050694 Pyongyang KCNA in English 0445
GMT 27 Jun 94*

[Text] Pyongyang, June 27 (KCNA)—The speaker of the upper house of the Kingdom of Thailand, Michai Ruchuphan, upon conclusion of Korean visit, told KCNA on June 25 that Thailand would in the future strengthen and develop its friendly relations with the DPRK.

Recalling that his delegation was honored with an audience of the great leader President Kim Il-song, the speaker said that the Democratic People's Republic of Korea has registered great achievements in its development thanks to a wise leader who places the interests of the people before anything else.

Noting that the friendly relations between Thailand and Korea are developing very favourably, he said Thailand and Korea have a common principle of developing their countries along paths chosen by them and are developing the relations between the two countries on the principle of non-interference in other's internal affairs and mutual respect.

"Therefore, there is no obstacle to a closer development of the relations between the two countries," he added.

Radio Notes Delegation's Departure

*SK2706121694 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 25 Jun 94*

[Text] A delegation of the upper house of the Kingdom of Thailand led by its speaker, Michai Ruchuphan, which visited our country at the invitation of the Supreme People's Assembly, left today by plane.

Kim Il-song Receives Letter From Cambodian King

*SK2706115794 Pyongyang KCNA in English 1004
GMT 27 Jun 94*

[Text] Pyongyang, June 27 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea received a letter from King of Cambodia Norodom Siha-nouk on June 23.

The letter says:

I deem it an honour to extend, with admiration, warmest congratulations to your excellency, the respected great leader of the Korean nation and people, in the name of the Cambodian people and of my own, on the historic victory and success achieved by your excellency recently in the political and diplomatic fields.

(The historic visit of the former head of state of the United States, Jimmy Carter, to the glorious Democratic People's Republic of Korea, the DPRK-U.S. peace talks to be resumed in Geneva next month and the projected fraternal inter-Korean high-level talks)

Your excellency, the great leader of Korea, has once again brought a victory to the just cause of the Korean people who want peace and the reunification of the nation.

The world community pays its regards to your excellency, the great leader, who has brought the victory of the idea of world peace and successfully removed the danger of war that had befallen the Korean peninsula from outside.

Anniversary of DPRK-LPDR Relations Marked

*SK2406112494 Pyongyang KCNA in English 1013
GMT 24 Jun 94*

[Text] Pyongyang, June 24 (KCNA)—Pyongyang-based papers today observe the 20th anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Lao People's Democratic Republic.

The establishment of diplomatic relations between the two countries reflects the common aspirations and desire of the two peoples to develop, supporting and cooperating with each other on the principle of equality and mutual benefit, says NODONG SINMUN in a by-lined article.

Noting that the building of a new society is now being stepped up at a new stage in Laos, the article says:

A vigorous drive to modernize the country by the end of 2000 is now under way in Laos and its face is improving.

Laos is actively striving to achieve regional peace and stability.

The Korean people will as ever make active efforts to develop the friendly and cooperative relations with the Laotian people.

A signed article of MINJU CHOSON says the Korean people are rejoiced over the achievements made by the Laotian people in the building of a new society and wish them greater stride forward in their future work.

Minister Exchanges Messages With Lao Counterpart

*SK2706120694 Pyongyang KCNA in English 1022
GMT 27 Jun 94*

[Text] Pyongyang, June 27 (KCNA)—Foreign ministers of the Democratic People's Republic of Korea and the Lao People's Democratic Republic exchanged messages of greetings on the 20th anniversary of the establishment of diplomatic relations between the two countries.

The messages noted that the relations of friendship, solidarity and cooperation between the two countries have steadily been consolidated and developed in the common interests of the two peoples over the past two decades.

Foreign Minister Kim Yong-nam said in his message that the two peoples are vigorously advancing as ever along the road chosen by them, without any vacillation, not abandoning their revolutionary faith, in the fast changing flow of history.

He expressed the belief that the friendly and cooperative relations between the two countries would be consolidated and developed continuously in the future. Foreign minister of Laos Somsavath Lengsavath expressed the belief that the tradition of excellent relations between the two countries would constantly develop in the interests of the two peoples and for peace and security of the world.

He wholeheartedly wished the fraternal Korean people success in the efforts for socialist construction in the northern half of the country and peaceful reunification.

Envoy Presents Credentials to Maldivian President

*SK2706010494 Pyongyang Korean Central
Broadcasting Network in Korean 0600 GMT 22 Jun 94*

[Text] Cha Pong-chu, newly appointed DPRK ambassador extraordinary and plenipotentiary, presented credentials to President Maumoon Abdul Gayoom of the Republic of Maldives on 13 June.

During the meeting, the ambassador conveyed greetings from the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il to President Maumoon Abdul Gayoom. The president expressed deep gratitude and asked the ambassador to convey his greetings wishing the longevity of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

The president mentioned the honor of having met with the great leader Comrade Kim Il-song during his visit to our country in the past and stressed that he cannot and will not ever forget the happy moments. He said he was greatly impressed by DPRK people's astonishing achievements of self-reliance in all sectors under the outstanding leadership of the respected and beloved His Excellency President Kim Il-song and pointed out that all these achievements resulted from DPRK people's cohesion and spirit of fortitude are exemplary to the world. He said that he fully supports DPRK people's struggle to realize the proposal of establishing the Democratic Confederal Republic of Koryo and the 10-point program of the great unity of the whole nation for the country's reunification proposed by the great President Kim Il-song.

The foreign minister of the Republic of Maldives and the presidential secretary in charge of public affairs were present at the meeting.

Greetings Sent to Mozambican President

*SK2406112994 Pyongyang KCNA in English 1028
GMT 24 Jun 94*

[Text] Pyongyang, June 24 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on June

23 sent a message of greetings to Joaquim Alberto Chissano, President of the Republic of Mozambique, on the occasion of the 19th anniversary of the independence and foundation of the Republic of Mozambique.

President Kim Il-song in the message expressed the belief that the relations of friendship and cooperation between the two countries would grow stronger and develop and wished the Mozambican president and people success in their work for peace and independent development of their country.

Zimbabwean President's Remarks on DPRK Cited
SK2706051294 Pyongyang KCNA in English 0449
GMT 27 Jun 94

[Text] Pyongyang, June 27 (KCNA)—Zimbabwean President Robert G. Mugabe at a news conference on June 11 touched on relations with the DPRK.

He said:

"The Zimbabwean people know well of the intimacy between the great leader Comrade Kim Il-song and me and have always expressed due support to all the positions of the Democratic People's Republic of Korea.

"The Zimbabwean people regard Korea which has helped us in our struggle, considering it to be its own struggle, as our friendly country, brother and ally.

"The friendly relations between the two countries had been established before our country won independence."

Kim Chong-il Thanks Officials, Working People
SK2706044894 Pyongyang KCNA in English 0440
GMT 27 Jun 94

[Text] Pyongyang, June 27 (KCNA)—The dear leader Comrade Kim Chong-il sent thanks to the officials and employees of the State Planning Commission and the Central Committee of the League of Socialist Working Youth and twelve disabled soldiers in Wonsan and their wives for their active assistance to the socialist countryside.

The officials and working people, in hearty response to the agriculture-first policy of the Workers' Party of Korea, helped agricultural working people in their work and powerfully inspired them in increased grain production through brisk economic agitation and art performances.

South Korea

DPRK Selection of Delegates for Contact Noted
SK2506043894 Seoul YONHAP in English 0425 GMT
25 Jun 94

[Text] Seoul, June 25 (YONHAP)—As the proposed South-North summit meeting approaches realization, the South Korean Government has prepared a draft agreement on the summit for discussion during an inter-Korean preparatory contact slated for Tuesday at Panmunjom.

An informed official source said Saturday the draft covers the summit's date and place, the number of attendants and the period of visits.

The source said the government believes the first summit talks should occur by mid-July at the latest and that Seoul or Pyongyang should be the site.

Panmunjom is not included in the Seoul side's list of candidate venues for the summit talks, he said.

The government welcomed North Korea's selection of Kim Yong-sun, chairman of the Unification Policy Committee of the Supreme People's Assembly, as its chief delegate to the South-North preparatory contact next Tuesday.

Noting that Kim belongs to the faction advocating more openness, a Seoul official said his selection may well point to Pyongyang's good intentions toward the proposed summit.

North Korea informed the South Saturday morning that it had chosen Kim as chief delegate to next Tuesday's contact. The two other delegates are An Pyong-su, vice chairman of the Committee for Peaceful Reunification of the Fatherland, and Paek Nam-chun, a State Council member.

Background of Delegates Viewed

SK2706003994 Seoul THE KOREA TIMES in English
27 Jun 94 p 2

[Text] Kim Yong-sun, a top strategist on South Korean affairs and a member of North Korean President Kim Il-song's trusted inner circle, will represent Pyongyang's delegation to Tuesday's preliminary contact for an inter-Korean summit.

The choice of Kim, concurrently chairman of the Reunification Policy Committee of the Supreme People's Assembly, shows how much importance the North Korean leader places in the forthcoming summit, South Korean officials said.

North Korean Prime Minister Kang Song-san notified his South Korean counterpart Yi Yong-tok through a telephone message Saturday that the influential official will lead a three-member delegation at the Panmunjom meeting designed to set the date and venue for the summit.

The other delegates are An Pyong-su, vice chairman of the Committee for the Peaceful Reunification of the Fatherland, and Paek Nam-chun, councilor of the Administration Council, it said.

Kim who will take part in his first inter-Korean contact, is known as an advocate of reform and openness. Moreover, Kim was the North Korean representative to the first vice ministerial dialogue with the United States in January 1992, when he met with then U.S. Under Secretary of State Arnold Kanter. The meeting, though not substantial, marked the first major sign of the possibility of normalizing relations between the two countries. He stepped into the spotlight in September 1990 when he met with Japanese political patriarch Shin Kanemaru and produced a joint

statement on an early normalization of the relations between North Korea and Japan.

Kim, who is also secretary for South Korean affairs in the North Korean Nodong (Workers) Party enjoys strong backing from President Kim Il-song and his son Chong-il. Kim's closeness to President Kim has caused the spread of rumors that they are related by blood. He showed how close his ties are with the North Korean leader by accompanying Kim on his visit to China and on other travels from the late 1980s. Kim is said to have advised Kim Il-song and his heir-apparent Chong-il to introduce more openness after a tour of Europe in March 1990.

Kim survived factional infighting within the communist party last year when he was stripped of his post as a candidate for the Politburo after conservatives criticized liberals' unfruitful economic reforms.

The two other delegates, in contrast, are seasoned officials of inter-Korean dialogue who served as delegates to the prime ministers' talks.

An Pyong-su has a single-track career in dealing with South Korean affairs. He has worked for the Committee for the Peaceful Reunification of the Fatherland since he graduated from Kim Il-song University. He serves as vice chairman of the committee along with chief delegate Kim Yong-sun. He captivated the South Korean media as North Korean spokesman for the inter-Korean prime ministers' talks with his glib tongue.

Meanwhile, Paek Nam-chun also graduated from Kim Il-song University. He became involved in South Korean affairs as an advisor to the North Korea Red Cross Society during inter-Korean dialogue back in 1972. Except for a brief stint as ambassador to Poland, Paek has served as a point man in North Korea's contacts with South Korea.

Seoul To Ask Seoul, Pyongyang as Summit Venues

SK2706020894 Seoul TONG-A ILBO in Korean 27 Jun 94 p 2

[Text] It was learned on 26 June that the government is reviewing a draft proposal to be presented to the North Korean side regarding the North-South summit suggesting that the top leaders of the two sides take turns in visiting Seoul and Pyongyang and that the first talks be held in Seoul over two nights and three days, preferably in mid-July, if North Korea agrees.

However, if North Korea persists on having talks in Pyongyang first, the government will accept this on the condition that the first talks be held in Pyongyang in July and the second are held in Seoul in August.

In the event that the two sides fail to reach an agreement to designate Seoul and Pyongyang as the venue for the talks, the government will propose Panmunjom as the first alternate place, and Seoul or Pyongyang as the venue for the second talks.

The government will submit to President Kim Yong-sam for approval on 27 June a draft of "the agreement for holding a North-South summit between the North and the South," which will be presented to the North Korean side during a preliminary contact for a North-South summit slated for 28 June.

This draft agreement includes various conditions and forms to be proposed by the South side pertaining to the summit, including the time and place of the talks, itineraries, entourages, and the number of accompanying reporters.

Earlier on Sunday 26 June, the government made a final review of the preparatory works for the preliminary contact by conducting a mock conference in the office of the North-South talks in Samchongdong, Seoul, attended by our side's delegates to the preliminary contact, including Yi Hong-ku, vice prime minister and unification minister; Chong Chong-uk, senior presidential secretary for diplomatic and security affairs; and Yun Yo-chun, special assistant to the prime minister.

Seoul, Pyongyang Venues Opposed

SK2706040794 Seoul CHOSON ILBO in Korean 27 Jun 94 p 3

[Editorial: "Seoul and Pyongyang Should Be Avoided"]

[Text] It is our opinion that the designation of Seoul and Pyongyang as the venue for a North-South summit should be avoided. In other words, Seoul and Pyongyang should be avoided as the venue for the summit unless the North-South summit is held merely for the sake of talks. If President Kim Yong-sam visits Pyongyang, North Korea will report that "South Korea's Kim Yong-sam came to Pyongyang, the capital of the chuche revolution." And if Kim Il-song comes to Seoul, Kim Il-song himself will not be very pleased with his visit. Besides, North Korea, in its Pyongyang television network, will give enormous publicity to the banners of the students from the National Federation of University Student Councils [Hanchongnyon] and Kwangju-South Cholla Province District Alliance of University Student Councils [Namchongnyon], and members of the so-called Chuche Idea Faction [Chusapa] in South Korea, who warmly welcome "their leader's triumphal entry into Seoul." These two anticipated events are not desirable for the productivity of the talks.

What we are furthermore concerned about is the possibility that the talks may end up with external splendor but with no internal substance. This is because we are not sure about Kim Il-song's true intention and because "spectators" may dramatize the talks as the "greatest show on the earth." Truly, the talks this time should be held in a sincere atmosphere, should proceed in a substantive manner from the beginning to the end, and should advance toward the settlement of problems without becoming a show. To attain this, commotions over parties and ceremonies, making empty speeches, toasts, picture taking, spectators' racket, sightseeing, reporting of amusing gossip and stories, performance of stage shows, dinners hosted by mayors of Seoul

and Pyongyang, and other show-like events, as seen in the past, should be totally excluded. This type of talks should not be attempted from the onset.

Instead, the top leaders of the two sides should meet in a secluded villa or a country house in Mt. Sorak in the South and Mt. Kumgang in the North, and in-depth discussions should be held calmly on key points of essential issues without having any banquet and delivering speeches. In addition, the attempt of so-called well-known figures and VIP's wishing to join the event, should be thoroughly blocked. For this, it is furthermore necessary for the two top leaders to hold a calm, substantive meeting in a place far from the capital sphere.

Thus, we hope that during the 28 June preliminary contact the two sides will designate a third place for a summit, other than Seoul and Pyongyang, and will agree to have only officials concerned attend the event and not hold festival-like events by inviting unnecessary celebrities. If they really want to have some people attend the site, it would better to invite children. We wish to see that sincere talks be held in a plain and even pious atmosphere by excluding spectators.

Team Spirit Suspension Considered if Summit Held

SK2706102194 Seoul YONHAP in English 1015 GMT 27 Jun 94

[Text] Seoul, June 27 (YONHAP)—The South Korean Government is mulling the suspension of the joint Korea-U.S. Team Spirit military maneuver tentatively set for coming November if an inter-Korean summit is realized as proposed and a breakthrough is provided in the resolution of the nuclear question.

A senior official said on Monday Nuclear Affairs Ambassador Kim Sam-hun would convey this position to the United States when he visits Washington this week.

His visit would be to put final touches to a Seoul-Washington strategy toward the third-round U.S.-North Korea high-level talks taking place on July 8.

A source said the government would ask Washington not to take up the Team Spirit issue at the upcoming third-round talks since the issue of whether to resume the annual exercises hinges rather in the alleviation of tension on the Korean peninsula than in the nuclear issue only.

Through Ambassador Kim, the Seoul Government would also express its support for the U.S. plan to exchange permanent liaison missions between Washington and Pyongyang if North Korea firmly guarantees the transparency of their nuclear past, present and future, the official said.

The government would further convey to the United States its existing stand that Seoul sees no reason why it should oppose diplomatic normalization between Washington and North Korea if North Korea resolves pending problems other than the nuclear one such as the suspension of missile exports and renouncement of terrorism.

Regarding the question of replacing North Korean atomic reactors with light-water ones, a working-level meeting opening in Washington this week among South Korea, U.S. and Japan would explore the possibility of South Korea and Japan furnishing funds and the United States technical knowhow to North Korea for the project, the official added.

Daily Interviews Foreign Minister on Summit

SK2506085794 Seoul TONG-A ILBO in Korean 25 Jun 94 p 5

[Report on interview with ROK Foreign Minister Han Sung-chu at his office in the Central Government Building in Seoul, by Hwang Chae-hong, TONG-A ILBO senior political affairs desk reporter—date not given]

[Text] The North Korean nuclear problem, which once drove the Korean peninsula into an extreme pitch of tension, now faces a phase of negotiations. A preliminary contact for a North-South summit is to be held on 28 June at Panmunjom and a third round of North Korea-U.S. high-level talks will be held in Geneva early next month.

Although the people consider such an abrupt change in the situation fortunate, they can hardly conceal their suspicion. North Korea showed a drastic change in its attitude so as to curve around sanctions directed against it by the UN Security Council into dialogue. Nevertheless, people are becoming more concerned about whether or not the North Korean nuclear problem will be solved peacefully through such an atmosphere of dialogue.

As for the issue regarding a North-South summit toward which the government was somewhat hasty, will the top leaders of the North and the South actually sit together for the first time since the nation was divided? To what degree will the summit, when realized, contribute to removing factors increasing tensions on the Korean peninsula? These are questions the people are concerned about.

Since the new government came to office, Foreign Minister Han Sung-chu has taken the initiative of leading government policy on the North Korean nuclear problem. This reporter met with Foreign Minister Han in his office.

[Reporter Hwang Chae-hong] Since former U.S. President Carter visited North Korea, the North Korean nuclear issue has made a drastic turn from a phase of sanctions to that of dialogue. Both affirmative and negative assessments about Carter's visit to North Korea are seen even in the United States. What is our government's overall evaluation of his visit?

[Minister Han Sung-chu] North Korea proposed a North-South summit and revealed the will to freeze nuclear development through former U.S. President Carter. Following this, North Korea agreed on a preliminary contact for a North-South summit and confirmed its will to freeze nuclear development through a diplomatic channel. This being the case, our government feels that Mr. Carter's visit laid the foundation for a third round of North Korea-U.S. talks and provided a chance for a solution to the North Korean nuclear problem through dialogue. However, the

sincerity of North Korea's will to implement what it pledged is more important. Thus, the government will watch how the situation develops with keen interest and make efforts to solve the North Korean nuclear problem.

[Hwang] What is your assessment of the reasons behind North Korea's prompt acceptance of the proposal for a preliminary contact on a North-South summit after having been passive in the past?

[Minister Han] It seems that North Korea wanted to turn the situation in which sanctions against itself were discussed on a full scale, to a phase of dialogue. North Korea also indicated its sincerity by confirming the message it sent through Mr. Carter.

[Hwang] Can we then say that North Korea yielded because of the sanctions discussed by the UN Security Council against itself?

[Minister Han] Instead of using the word, "yield," which is partly related to the implementation of sanctions, we may say that North Korea was prompted by the necessity to turn the phase of sanctions into that of dialogue. [end Minister Han]

Minister Han expressed his faith that we should view North-South relations from the standpoint that what is advantageous to North Korea is not always disadvantageous to us. Thus, he stressed that the recent change in North Korean attitude should not be viewed as "yielding" in an inevitable situation.

[Hwang] What is your opinion on the possibility of a North-South summit?

[Minister Han] It is higher than ever before. Judging from its response to our proposal for a preliminary contact, the North Korean side's motivation for realizing a North-South summit seems to be very great.

[Hwang] We believe that if a summit is held, the North Korean nuclear issue, the issue of reuniting families separated between the North and the South, expansion of exchanges between people, and a historic conclusion of the Korean war, can be discussed at the summit. Which does the government plan on giving priority?

[Minister Han] The government has decided to push the summit ahead without any conditions. Therefore, we will not clearly designate any agenda items in advance. In view of the prevailing situation, elimination of tensions created by the nuclear problem, improvement of North-South relations, expansion of cooperation, and some other issues may be broadly discussed, thus seeking methods for laying a foundation for reunification in the end.

Since the joint denuclearization declaration and the basic agreement were already adopted by the North and the South, the nuclear issue and improvement of relations may serve as a basis for discussion. [end Minister Han]

Minister Han is deeply involved in the government's decisionmaking as a full member of the Unification and Security Policy Coordination Council. He answered questions

on the North-South summit very cautiously. Concerning the prospect for success of the summit, he stressed that the meeting between the two sides itself is of epoch-making significance. Thus, the result of the talks should not be evaluated in black-and-white terms, but the meeting itself should be given significance. Thus, if the two sides agree on even general matters, such as subsequent talks, a promise to cooperate with each other in the future, and so forth, the atmosphere of dialogue will be significantly improved.

[Hwang] Let us turn the topic to a third round of North Korean-U.S. talks. The United States announced that it will hold a third round of high-level talks with North Korea early next month. What are the targets that both the United States and the ROK will pursue at the third round of North Korean-U.S. talks?

[Minister Han] The third round of talks will be focused on totally eliminating suspicion of North Korea's nuclear development. The ROK and U.S. position is that security and various other political and economic issues that have been previously raised by North Korea can be broadly discussed if the North Korean nuclear problem is completely solved.

[Hwang] It was learned, however, that the United States has abandoned efforts to examine North Korea's past nuclear activities, and in return, has demanded that North Korea freeze its nuclear development. As a result, people now doubt that there is agreement in views between the ROK and the United States. Is this true, Mr. Minister?

[Minister Han] It is the firm position of the ROK and the United States that transparency of the past, present, and future nuclear activities of North Korea should be ensured by all means for a complete solution to the North Korean nuclear problem.

It is true, however, that there was a debate on whether the issue of verification of past activities should be a precondition for a third round of North Korean-U.S. talks or be discussed during the talks. From the tactical point of view, both the ROK and the United States agreed on resumption of North Korean-U.S. dialogue by making North Korea promise to freeze its nuclear development, which is urgently required, and on a thoroughgoing discussion of the issue of verifying its past nuclear activities during the third round of North Korean-U.S. talks. Thus, there is no difference in views between the two countries. [end Minister Han]

Minister Han stressed that the North Korean nuclear problem, which started due to suspicion of North Korea's past nuclear activities and the UN Security Council began to discuss sanctions due to the suspicion of North Korean past nuclear activities, has not been removed. Therefore, the act of abandoning verification of the past is the same as abandoning the Nuclear Nonproliferation Treaty itself. This being the case, not only the ROK and the United States, but also the international community will never overlook North Korea's past nuclear activities.

[Hwang] As North Korea unilaterally replaced fuel rods in the five-megawatt reactor, some people wonder if there are

technical means to assure North Korea's past nuclear transparency. Do you think special inspections [tukpyol sachal] on undeclared facilities could thoroughly verify past nuclear activities?

[Minister Han] Past nuclear activities could be verified if North Korea actively cooperates by accepting special inspections of the two undeclared facilities, which North Korea insists are military facilities, and by correctly reporting the quantity of extracted plutonium. We will continue to exert efforts in various ways so that North Korea shows a positive attitude in resolving this issue through the third round of North Korean-U.S. talks.

[Hwang] North Korea has insisted that the nuclear issue and the improvement of North Korean-U.S. relations should be resolved in a package deal at the third round of North Korean-U.S. talks. How do you plan to respond to this?

[Minister Han] North Korea's package solution proposes a simultaneous exchange of all the issues related to North Korea's nuclear suspicion. The problem with the proposal is that North Korea is bargaining its obligations as a member of the international community and obligations in North-South relations. North Korea has made it difficult to resolve the issue in a phased manner by binding the prerequisite obligations and fundamental obligations in one bundle. We will exert a wide range of efforts to resolve the issue through dialogue, including the improvement of North Korean-U.S. relations under the precondition of the resolution of the nuclear issue, while creating the circumstances for North Korea to fulfill its inspection obligations.

[Hwang] The Democratic Liberal Party recently urged the government to reconsider the declaration on the denuclearization of the Korean peninsula if North Korea delays the assurance of nuclear transparency. What is the government's position regarding public opinion urging nuclear independence and the reconsideration of the declaration on the denuclearization?

[Minister Han] The government has consistently adhered to the earnest implementation of the joint declaration on the denuclearization of the Korean peninsula because the implementation of the denuclearization declaration is the basis for achieving nuclear-free peace and order on the Korean peninsula, as well as in Northeast Asia and the entire world. It is true that people are saying that the joint declaration on denuclearization is useless when suspicion of North Korea's nuclear weapons development is escalating. The government's position on the compliance of the denuclearization declaration remains unchanged. Under the principle of the parties concerned in the North and the South, North Korea should respond to our efforts to implement the denuclearization declaration, including mutual inspection [sangho sachal], before it is too late. [end Minister Han]

Although the government has been criticized for alternating between hard-line and moderate policies on the North Korean nuclear issue, Minister Han has adhered to the "resolution through negotiations" theory and insisted on

seeking peaceful resolutions through dialogue and negotiations since the beginning of the nuclear issue. Asked if the government's policy on the North Korean nuclear issue has not been based on national consensus, Minister Han said it is very difficult because "public opinion is distinctively divided and one policy is criticized both as hard-line and moderate." How the North Korean nuclear issue develops should depend on the result of the North-South summit talks and the third round of North Korean-U.S. talks.

Upcoming U.S., ROK Talks With DPRK Viewed
SK2706031494 Seoul HANGYORE SINMUN in Korean
27 Jun 94 p 3

[Article by reporter Pak Chong-mun: "Prospects of North Korea-U.S. Talks"]

[Text] It seems certain that the third round of North Korean-U.S. talks will be held in early July, and the preliminary contact for the inter-Korean summit talks is scheduled for 28 June. The North Korean nuclear issue, therefore, is to be dealt with through the two channels of dialogue.

The binary dialogue lines—one between North Korea and the United States and the other between North and South Korea—mean a structural change from the four-plus-three method (the three dialogue channels between the North and the South, between the North and the United States, and between the North and the International Atomic Energy Agency [IAEA] in which four parties are involved) to the three-plus-two method in which the IAEA is not involved. The structural transformation of the dialogue method shows the probability that in-depth discussion will be held on practical problems.

When the IAEA participated in an independent dialogue, technical problems concerned with safeguards of the continuity of inspection surfaced one after another, often shaking the overall picture of the dialogue.

The upcoming North Korean-U.S. Geneva talks and the inter-Korean summit talks are likely to bring a considerable change in the contents of the dialogue as well. After North Korea declared the withdrawal from the Nuclear Nonproliferation Treaty [NPT] in March of last year, North Korea and the United States discussed ways to resolve the nuclear issue in the first and second round of high-level talks in June and July, respectively. However, while the United States placed the primary emphasis on the discussion of the nuclear issue, North Korea focused on the improvement of its relations with the United States and the U.S. assistance in the installation of the light-water reactor, preventing the talks from making tangible progress.

However, in the upcoming third round of North Korean-U.S. talks, specific rather than principled ways for the complete return to the NPT, suspension of the present and future nuclear development, and the improvement of relations between the two countries will be discussed extensively. This may well bring about a certain degree of tangible results.

The mode of connection to be maintained between the two lines of dialogue depends primarily on the North Korean intent. North Korea has so far placed emphasis on its talks with the United States, and acceded to the inter-Korean dialogue in a limited manner as a measure to complement the North Korean-U.S. talks. It is likely that North Korea will follow the same style. There are signs that North Korea will hold the North Korean-U.S. talks before the inter-Korean summit.

In this connection, our government wishes to link the two lines of dialogue to maintain a balance between the progress in the North Korean-U.S. dialogue and the improvement of inter-Korean relations. Foreign Minister Han Sung-chu did not outright link the two lines of dialogue, but said: "We need not attach substantial significance to which talks are held a few days before the other. Whether or not progress is made in the resolution of the nuclear issue through dialogue will be appraised on the overall basis after following the process of the two sets of talks." Foreign Minister Han's remarks suggest that if the South directly links the two sets of dialogue, this could give an impression that the South is shackling the United States. Therefore, the South is avoiding this situation and trying to avoid the blame for the stalemate that could result in the talks by having one set of talks directly affecting the other.

The North Korean-U.S. talks and the discussion for inter-Korean summit help suspend the discussion of UN sanctions and pave the way for dialogue. However, there are factors which may stand in the way of smooth progress of dialogue, including the conflicting interests among the North and South Korea and the United States.

The assistance in the replacement of reactors with light-water reactors is one of the most controversial points. North Korea wishes the United States to make arrangements with an international monetary institution for the supply of funds to North Korea for the construction of light-water reactors in return for its freezing its nuclear development. The United States, however, is hardly able to give North Korea satisfactory assurances because of the limitation in its national treasury.

By obtaining specific assurances for the construction of light-water reactors, North Korea intends to have the economic sanctions against it dissolved and resolve the hostile relations with the West as well. Therefore, North Korea is not likely to part with its nuclear-freeze card in exchange for a mere promise of assistance by the United States. Hence, how the United States deals with the issue of assistance in the installation of light-water reactors will be a key to the success of the talks.

Another important matter connected with the success of the talks is how the two sides will conclude the issue of tracing the past nuclear history of North Korea. North Korea is also raising the issue of not using nuclear weapons against North Korea, and the United States is planning to deal with the North Korean development and export of missiles.

Thus, there are quite a few difficult problems lying ahead, but since both North Korea and the United States are not concealing their desire to resolve the long hostile relations in the talks, we will watch with expectation the turn of events that will develop.

Plan To Ask U.S. To Advise DPRK Reviewed
SK2506013194 Seoul HANGUK ILBO in Korean 25 Jun 94 p 2

[Text] It was learned on 24 June that the government is reviewing a plan to request that the United States ask North Korea, in the North Korea-U.S. high-level talks slated for early July, that North Korea export the used nuclear fuel and plutonium that was produced inevitably in the course of reprocessing, to a third country.

A relevant Foreign Ministry official said that "the reprocessing process that generates plutonium is inevitable if North Korea permanently stores extracted nuclear fuel rods." He added that "in the event that North Korea attempts to merely store fuel rods without reprocessing them, there is the danger of explosion and of radioactivity leakage."

U.S.-DPRK Contact for High-Level Talks Held
SK2406235394 Seoul KBS-1 Radio Network in Korean 2208 GMT 24 Jun 94

[By YONHAP from UN Headquarters]

[Text] The United States and North Korea held a working-level contact at the UN Headquarters in New York on the evening of 24 June. The two sides discussed the agenda and date for the third round of high-level talks expected to be held in Geneva in early July.

The results of the contact is yet to be known. However, a relevant official at the North Korean mission said that there were no particular difficulties in the contact, thus hinting that the high-level talks are likely to be held on 8 July, as requested by the North Korean side, and that the two sides reached an agreement on the agenda.

In the third round of high-level talks, the United States and North Korea are expected to discuss extensively the issue on permanently freezing North Korea's nuclear development, including its full return to the Nuclear Nonproliferation Treaty, its suspension of reprocessing nuclear fuel, and the acceptance of special [tukbyol] inspections. In addition, chances are high that they would discuss the issue concerning the establishment of diplomatic ties, including the replacement of light-water moderated reactors and economic aid.

In the contact, Gary Seymour, director of the U.S. State Department, led the U.S. delegation while Han Song-yol, counselor at the North Korean mission to the United Nations, represented the North Korean side.

Christopher Remarks on U.S.-DPRK Summit Noted*SK2606050294 Seoul SEOUL SINMUN in Korean 26 Jun 94 p 5*

[Article by Kim Song-chu: "The Prospect for U.S.-North Korea Summit in the Wake of U.S. Secretary of State's Remarks"]

[Text] After former U.S. President Jimmy Carter visited North Korea, a breakthrough in the North Korean nuclear issue has suddenly been made, paving the way for an inter-Korean summit—the first one ever—and the third round of high-level U.S.-North Korea talks slated for next month. With these talks ahead, U.S. Secretary of State Warren Christopher, in a CNN interview on 24 June, touched on the possibility of a summit between U.S. President Bill Clinton and North Korean President Kim Il-song.

In light of this, public interest is arising on a U.S.-North Korea summit.

When asked about the chances for a U.S.-North Korea summit, Secretary of State Christopher said that North Korea has not yet established the kind of record that would justify a U.S.-North Korea summit. But, he said that such a possibility exists if North Korea changes its present stance and starts having the kind of behavior that justifies a summit.

Since he made clear that this would only come after the normalization of bilateral diplomatic ties, holding such a meeting at an early date would be realistically impossible. However, the fact that the issue was brought up hints several things.

First, the U.S. Government insinuated that it has the will to normalize diplomatic ties, aside from the chances of a summit. This may promote bilateral relations sooner than expected. In other words, by partly showing a carrot, "a bilateral summit," this could induce North Korea to assume a more flexible stance.

The card called a U.S.-North Korea summit is something that deserves to be considered by President Clinton, who has repeated diplomatic failures in the Bosnian crisis, the extension of China's most-favorite-nation status, and the Haitian matter.

President Clinton has received criticism from both the ruling and opposition parties for being incompetent and indecisive on the North Korean nuclear issue. Under such a condition, he may attempt to get a firm political foothold with a summit with President Kim Il-song.

With a nonpresidential election slated for next November, the Democratic Party is now in a weaker position than the Republican Party.

For President Kim Il-song, who became a familiar face to the American people as he appeared on U.S. television day

after day after Carter's visit to Pyongyang, he could bear diplomatic fruits beyond his expectations in the event the summit is held.

Explaining the results of his visit to the United States, former U.S. President Carter once said that "There is something I have not talked about" and "this can only be told to Clinton and Christopher." Chances are high that it has something to do with the summit.

Nonetheless, we will just have to wait and see to confirm whether or not Secretary of State Christopher's remark is mere diplomatic rhetoric.

'Change' in U.S. Policy on DPRK Criticized*SK2606062594 Seoul KYONGHYANG SINMUN in Korean 26 Jun 94 p 3*

[Editorial: "Abrupt Reference to North Korean-U.S. Summit Talks"]

[Text] The U.S. secretary of state's reference to a North Korean-U.S. summit heralds an important change in the U.S. policy to the North. Although Secretary Christopher says that North Korea should change its attitude before the summit can be held, his remark is all the more noteworthy because we are at a critical point in our endeavor to resolve the North Korean nuclear issue. Moreover, because the remark was made by someone who is responsible for U.S. foreign policy, we are even led to suspect that since the recent North Korean peace overture, some secret exchange of messages might have taken place between North Korea and the United States.

If such a secret exchange of messages was not made, we can hardly understand why the United States suggests the possibility of another summit now that the inter-Korean summit talks have been agreed on. We do not object to the ending of many years of hostile relations between Washington and Pyongyang and the U.S.-North Korean diplomatic negotiations after the North Korean nuclear issue is ultimately resolved. The ROK support for sanctions on North Korea was not for the sake of sanctions themselves; it was to induce North Korea to negotiate. The ROK, more than the United States, must take the lead in inducing the closed and isolated North Korea to become a responsible member of the international community. This is so because it is a national problem directly connected to our survival.

This being the case, it would not be too late to hold a North Korean-U.S. summit after the inter-Korean summit is held and after meaningful progress between Seoul and Pyongyang is made. At present, only the date has been agreed on for the third round North Korean-U.S. high-level talks, and the two sides have yet to negotiate on the key agenda items. North Korea has only expressed its willingness to freeze its nuclear program, but the United States is hastily moving to bring a package solution to the pending political and military issues.

The U.S. strategic team should in the first place verify the truth behind North Korea's abrupt tactical change. They should find out why North Korea suddenly changed its

stance toward dialogue with the proposal to freeze its nuclear program. They should know that with such a tactical change, North Korea intends to incapacitate the ROK, rather than resolve the nuclear issue, with the assertion on the "mutual troop reduction to 100,000 men" and to get the U.S. troops withdrawn from the ROK with the "peace agreement." The United States should not make the mistake of being implicated in a peace gesture North Korea habitually employs and of naively accepting the North Korean proposal without a safety-proof device.

Peace will not settle on the Korean peninsula even if dialogue and talks are conducted while the problems connected with the security of the country are being overlooked. The United States might even find itself giving a tacit approval to North Korea's nuclear armament. North Korea's tricky peace overture and the easy-going U.S. policy toward the North as evidenced by Secretary Christopher's remark "We can hold summit talks with North Korea" can cause a rift in the ROK-U.S. cooperative alliance in dealing with the North Korean nuclear issue. What the ROK and the United States need at present is to reconfirm their unshakable diplomatic and security cooperative alliance. The U.S. foreign policy authorities should not forget that the abrupt reference to the North Korean-U.S. summit at this point could lead the United States to be fooled by the North Korean peace offensive.

Officials Said Notified of U.S. Plans on DPRK
SK2706005594 Seoul YONHAP in English 0029 GMT
27 Jun 94

[Text] Tokyo, June 27 (YONHAP)—The United States is considering a two-phased diplomatic normalization with North Korea starting with the opening of liaison offices, the ASAHI SHIMBUN reported Monday.

Quoting South Korean Government officials, ASAHI said the Clinton administration has notified Seoul that it plans to exchange liaison offices with North Korea if Pyongyang guarantees the transparency of its past, present and future nuclear activities and allows inspection of two undeclared sites critical to determining how much plutonium the North Koreans have stockpiled.

The United States would then be ready to relax trade restrictions against Pyongyang, change North Korea's status in the category of the "Trade With the Enemy Act" and promise financial assistance to change its outdated nuclear reactors to a much safer system, the paper said. For this transition, Washington may ask South Korea and Japan to chip in, according to ASAHI.

But the United States will demand that North Korea halt missile exports, improve human rights and renounce terrorism before it will establish ties with the communist state, it reported.

ASAHI noted that North Korea is likely to strongly oppose such a phased plan since it would increase barriers to full diplomatic normalization.

The White House is treading cautiously on normalizing relations because Congress, and some within the administration, still mistrusts North Korea. The growing pressure to address human rights conditions is another reason, ASAHI said.

Nuclear Ambassador's Visit to U.S. Scheduled
SK2706072994 Seoul YONHAP in English 0721 GMT
27 Jun 94

[Text] Seoul, June 27 (YONHAP)—The South Korean ambassador for nuclear affairs will fly to Washington this week for bilateral and trilateral talks, including Japan, on the North Korean nuclear situation, a Foreign Ministry spokesman said Monday.

Ambassador Kim Sam-hun's visit precedes a third round of North Korea-U.S. high-level dialogue slated to open in Geneva after a one-year hiatus following the second round.

Kim is to meet with U.S. Assistant Secretary of State Robert Gallucci, chief American delegate to the dialogue with North Korea, for bilateral consultations.

The meeting will be followed by a trilateral consultation including Yutaka Kawashima, director-general for Asian affairs at the Japanese Foreign Ministry, the spokesman said.

The three-way meeting is expected to address issues related to freezing North Korea's nuclear development program, recounting its past activities, and financial aid in switching the North's outdated nuclear system to safer light-water reactors.

Expert Warns of Radiation Leak From DPRK Rods

SK2506093294 Seoul CHUNGANG ILBO in Korean 25
Jun 94 p 2

[Text] It has been learned that since the nuclear fuel that North Korea recently removed from its five-megawatt experimental nuclear reactor in Yongbyon is coated with the alloyed magnesium (Mgnox), it may leak radiation within two years if North Korea uses its present method of preservation.

In a closed seminar marking the inauguration of the Atomic Energy Control Center held at the Plaza Hotel in Seoul on 24 June, Professor Kim Pyong-ku, chief of the reactor development team of the Korea Atomic Energy Research Institute, noted that because the coating material Mgnox is apt to erode in water, long-term preservation of Mgnox-coated nuclear fuel in water—North Korea uses this method—may result in a leakage of radiation. He expressed his concerns about the problem as North Korea cannot but help reprocess the nuclear fuel rods within two years, and insisted that those nuclear fuel rods must be resealed and kept dry permanently or must be disposed of for good all under the supervision of the International Atomic Energy Agency.

Plan To Replace Armistice Accord 'Worked Out'*SK2706060094 Seoul CHUNGANG ILBO in Korean 27 Jun 94 p 1*

[Excerpt] It has been learned that with a view to turning the North-South armistice status into a peace system, the government has worked out a policy of concluding "the agreement for ending the armistice status and establishing a peace system between the North and the South (provisional title)".

On 27 June, a relevant high-ranking government official said that "the North-South basic agreement stipulated that 'the North and the South shall make efforts to turn the armistice status into a peace system.' Based on this, the government decided to make a proposal to conclude an 'agreement for ending the armistice status and establish a peace system.'"

This government policy is put forward on the basis of its judgment that at a time when a preliminary contact for a North-South summit is to be held and a North-South dialogue, including the summit, will likely be pushed ahead actively, and when North Korea-U.S. dialogue, including a third round of North Korea-U.S. high-level talks, which even envisages the establishment of diplomatic relations, is being accelerated, the present armistice system between the North and the South can hardly make the two sides coexist, and thus the turning of this system into a peace system is inevitable.

This official also noted that "The present Armistice Agreement prescribes that the agreement is effective until it is replaced with another agreement. Therefore, it is necessary to conclude a new agreement." Although North Korea demanded to the United States in the past that the Armistice Agreement be replaced with a peace agreement, North Korea did not put forward this proposal to the South side owing to differences in views between the two sides. [passage omitted]

Kim Il-song 10-Point Program Faxed to Papers*SK2506074994 Seoul KBS-1 Radio Network in Korean 0630 GMT 25 Jun 94*

[Text] Seditious printed materials containing the program teachings of North Korea's Kim Il-song are being distributed. The ROK police and prosecutors are investigating the source of the material. Local newspapers in the Cheju area, including HALLA ILBO, received seditious printed materials describing Kim Il-song's 10-point program for the reunification of the fatherland through facsimile transmission from Hanoi, Vietnam around midnight 24 June.

Student Embarks on Illegal Trip to Pyongyang*SK2706085494 Seoul YONHAP in English 0820 GMT 27 Jun 94*

[Text] Berlin, June 27 (YONHAP)—Choe Chong-nam, a representative of Hanchongnyon, the Federation of Student Councils in South Korea, left Berlin for Pyongyang last Friday, a source here said Monday.

An official at Pomchonghangnyon, the Pan-National Federation of Youth-Students for Unification of the Fatherland, said that Choe, 25, a horticulture major on temporary leave from Seoul National University, had left for Moscow aboard a (North) Korean Airways Flight from a German Airport.

Officials of Pomchonghangnyon, which arranged Choe's visit, saw him off at the airport, according to the source.

It is not yet known whether Choe has already arrived in Pyongyang via Moscow or if he is still in the Russian capital.

Pomchonghangnyon, the Joint Organization of South and North Korean Students Headquartered in Berlin, declined to comment on Choe's whereabouts, saying only that it will announce the relevant details in a few days.

Choe, at a press conference here last Friday, said he planned to stay in Pyongyang for a couple of weeks to meet with key officials including North Korean President Kim Il-song to convey Hanchongnyon's position on peace and unification on the Korean peninsula.

Hanchongnyon has entrusted Choe with contacting Kim Il-song, political groups and social organizations, clarifying its opposition to unification through absorption, demanding that Seoul and Pyongyang implement the South-North basic agreement, and calling for the conclusion of a North Korean-U.S. peace accord and a package deal on the nuclear problem.

Choe will be the second representative of a South Korean student activists group to visit North Korea without government permission. Yim Su-kyong of Chongdaehyop, the defunct National Council of Student Representatives, visited the North Korean capital to participate in the Pyongyang Youth Festival from June 30 to Aug. 15, 1989.

After returning through the truce village of Panmunjom, Yim was indicted and sentenced to five years' imprisonment. She was released under a special pardon on Dec. 24, 1992.

North Korea as Seen From Dandong, China*942C00125A Seoul TONG-A ILBO in Korean 8, 9, 10, 11, 12 May 94*

[Article in five installments by reporter Im Chae-chong: "A Yalu River Spring: North Korean Change Seen from Dandong, China"]

[8 May 94 pp 1-2]

[Text] [Boxed item: If one goes to Dandong, China, Sinuiju looks close. The railway bridge linking Dandong and Sinuiju is shorter than the Han River Bridge. However, it cannot be crossed freely, and so feels much longer. The impressions of the two cities seen from the Yalu River are more dissimilar. The Dandong side overflows with the vitality of openness; the Sinuiju side is desolate. However, it could be sensed that on the Sinuiju side too, a soft spring breeze is secretly blowing. This article will be published in

five installments, showing the North Korean [NK] situation as perceived from Dandong and a view of the life of Koreans living there.]

Going to Dandong, China's gateway to NK facing Sinuiju across the Yalu River, one can sense here and there NK's internal changes and troubles.

First of all, going to the Dandong Maritime Customs, one can see the "bundled procession of openness" entering NK. Every day at about 10 AM and 3 PM, this place bustles with bundle-carrying peddlers trying to get on the border bus going to Sinuiju from Dandong.

The enormous gunny sacks on which they sit contain various daily necessities, from garments, tobacco, alcohol, spices, and pastries to shoes, umbrellas, glasses, fountain pens, and color film. There are even those carrying black-and-white televisions. In the "Choson Store," located beside the maritime customs office which deals with the peddlers, are displayed Lotte gum, Kent cigarettes, and even Coca-Cola.

The number of people coming and going by the border bus between Dandong and Sinuiju alone are estimated to exceed 50 thousand annually. Designated by China in 1992 as a border economic-cooperation zone, Dandong is China's greatest border-trade city, and is ambitiously promoting development. The peddlers are messengers carrying the winds of openness to NK in their bundles. On the Yalu Railway Bridge, crossing by cargo trucks is quite frequent. On the trucks coming out of NK were loaded scrap iron and marine products; on trucks entering NK from China, black-and-white televisions, machinery, etc. Cargo trucks too were transporting the winds of openness. One owner (a Korean) of a restaurant on the banks of the Yalu, with NK truck drivers as regular customers, said that if they are alone, they often relax, singing Korean songs. "There are even North Koreans who ask: wouldn't things get better than they are now if Korea were unified, even by shooting a gun," conveyed another owner of a Korean restaurant frequented by North Koreans.

Being adjacent to NK, Dandong sees much coming and going by North Koreans. There are those who come out, issued a passport ostensibly for the purpose of visiting relatives, and there are those who, simply issued a river-crossing pass, come across the river for only a little while. Of these, there are those who do not return even though their authorized period expires.

One young NK woman (22) working in a Dandong karaoke bar confessed that, leaving NK with a three-month passport for visiting relatives last February, she has remained until now without returning. This young woman, who claims to have graduated from a combined middle and high school in Pyongyang, added, "Returning has now become difficult because of fines."

In Dandong there are two karaoke establishments directly managed by NK. The place called Pyongyang Kwan is managed by the Taedong River Trade Corporation; the place called Pyongyang Yongnamsanjang, by the Potong River Trade Corporation. Young women sent from

Pyongyang work there. These are places where one can really feel the signs of change in NK.

Pyongyang Yongnamsanjang also plays South Korean [SK] songs, but Pyongyang Kwan only plays modern NK and Chinese songs. Pyongyang Kwan too reportedly plans to play SK songs soon. Of course, this is for drawing SK customers, who have been actively advancing into Dandong of late. When South Koreans stop by this place, young Pyongyang women give them bouquets of flowers, singing in chorus the NK song, "Welcome, Compatriots [Pangapsumnida Tongpo Yorobun]."

"For NK, opening sooner or later will become unavoidable due to gradual internal change," said one Korean resident of China (35, a trade company employee) claiming to have visited NK on business over ten times. "Although not visible to the eye, when it reaches a fixed limit, internal change will gain a power which cannot be turned back."

[9 May 94 pp 1-2]

[Excerpts] Spring ripens in May, even on the Yalu River. From the early morning, Dandong's Yalu River Park bustles with people coming out to enjoy their fill of the refreshing spring breeze blowing down from distant Paektu Mountain. [passage omitted]

Across the river, the scene in Sinuiju is different. In an amusement park situated directly across from the Yalu River Park, there is hardly a sign of anyone and the amusement-park machinery is motionless. They are said to have been operated only once: a little while ago for NK's greatest holiday, Kim Il-song's birthday. Next to the amusement park is a restaurant, the Amnokkanggak. Compared to its large scale, customers are almost nonexistent, making it look wretched.

The nighttime scene is even more contrasting. From the Dandong-side river bank, with its newly-created city sections, overflows the noisy excitement of a port city experiencing an openness boom. The Sinuiju-side river bank, however, is hidden by the darkness of night. Only the light of a passenger ship going north on a tributary of the Yalu River makes one realize that Sinuiju too is a port city.

The uniquely NK sound of a bellicose woman's voice flowing out of a loudspeaker late into the night gives one a feeling of brutality. Unable to make out what was being said, we asked a Dandong official. He said the residents of Sinuiju appeared to be holding nighttime emergency training. This year, resident emergency training had increased markedly, he said.

There being no border on the Yalu (Chinese-NK common ownership), one can get on a boat and go right up to the bank on the Sinuiju side. If one speaks to the people visible on the river bank, they motion for one to go back without so much as an answer. When one views both sides of the Yalu River from a boat, in a glance one can see the development of an open China and the backwardness of a closed NK.

The Dandong-side river bank is cleanly decorated with modern buildings, and vehicles frequently go back and forth. On the Sinuiju-side river bank, there are many structures built during the Japanese occupation, and no smoke coming from factory smokestacks. The explanation of our ethnic Korean guide, that previously Sinuiju had been a much more prosperous city than Dandong, deepened our frustration.

The midpoint of the Yalu River Railroad Bridge, the great artery of traffic between China and NK, is the frontier. With the help of a Dandong official, we were able to go right up to the border, guided by a Chinese guard. [passage omitted]

This bridge, about 960 m in length, has a railway on one side and a road on the other. Although traffic by cargo trains and trucks was comparatively frequent, passenger cars were rare. The passenger train between Beijing and Pyongyang makes about four round trips a week, explained the Chinese guard.

South of this bridge is another bridge broken by the aerial bombing of U.S. forces during the Korean war. Only the half on the Chinese side remains. Repair and refurbishing of this place is now in full swing for developing it into a tourist resort. They are painting it again and are building restaurants and souvenir shops on one side of the bridge, taking aim at SK tourists.

Many South Koreans who lost their homes in the North come to visit Dandong. They hope to possibly hear news of family they left behind in NK, since North Koreans frequently come and go here. Many NK-SK separated families get in contact with each other and meet in Dandong, reports Deputy Mayor of Dandong Wang Jun-lian (female). City officials appear to be unofficially working on behalf of separated families, helping them to get in contact and meet.

Going north along the Yalu River from Dandong, a little over two hours by car, one reaches Supung Dam. On the road to Supung Dam, we saw NK soldiers catching fish with baskets in a tributary of the Yalu. When we tried to start a conversation, saying, "We're from South Korea," they packed up their baskets and disappeared without replying.

Going to the upper reaches of the Yalu River, there is a NK island across what is now a stream no more than two-to-three meters wide. Therefore, smuggling is reportedly rampant. Although there are also escapees from NK, they immediately go into hiding in Shenyang and other places in the interior. So they say it is not clear from here how many there are.

Arriving at the shore of Lake Supung, we got on a boat. As we came close to the dam, two NK soldiers got in a boat and came out to observe us. After awhile, apparently concluding that nothing was wrong, the NK soldiers even waved toward our boat. The spring flowers near Supung Dam were in full bloom.

[10 May 94 p 5]

[Excerpts] Located on a street called Luidaogou in the outskirts of Dandong, the Pyongyang Kwan is both karaoke hall and Korean restaurant. It was opened in January 1993, under the direct management of Pyongyang's Taedong River Public Service Corporation, Limited (normally called the Taedong River Trade Corporation). The first floor is used as a restaurant and the second floor as a karaoke bar, but when a "special customer" comes, he is treated to dinner in a separate room on the second floor.

The atmosphere of the karaoke bar is not much different from one in SK. People sing and dance to the music in front of a large screen beneath brilliant Saiki lights. [passage omitted]

Together with the NK songs and music, the background screens all show scenes of NK landscapes and events. Since Japanese subtitles come on with the words of the songs, it appears a Japanese company was commissioned to manufacture [the programs]. With almost every song, bathing or half-naked young women appear, adopting sensuous poses.

Disco Time [as published] is also interspersed throughout. Then, noisy pop songs blare. At this time only, the young Pyongyang women move their bodies to the "enemy Yankee" music. There are seven young women in their early twenties, Pyongyang graduates of combined middle and high schools and above, who were sent to the Pyongyang Kwan when it opened last year.

They all have well-featured faces and conduct themselves in a refined manner. Unlike their soft exterior, ideologically they are rock solid. [passage omitted]

Asking one young woman, "How can you do something like karaoke in NK?" she answered openly, "We came to earn dollars." We also asked, "Do you know who the late Pastor Mun Ik-hwan or Miss Im Su-kyong are?" she answered, "I know a lot about them." However, when we asked if she knew of the KAL bombing criminal Kim Hyon-hui, she said, "I don't know of her."

The young women sing and dance with customers. However, they do not join with them in drinking, nor do they accept tips. Their personal lives too seem to be quite strictly controlled. They are said to live together in a dormitory next to the Pyongyang Kwan and work on ideological study at every opportunity under the supervision of a woman in her forties sent from Pyongyang. The women's work periods are in one-year units. When a year goes by, they must receive reeducation in Pyongyang before coming back out. This year too, from January through March, the Pyongyang Kwan was closed for business because of the women receiving education. It reopened on April 1st. It is said that there are also women who are unable to return to this place after entering Pyongyang. This fact too is probably one of the things controlling the women's behavior.

Up through the end of last year, the Pyongyang Kwan also played SK songs, but they are prohibited this year. One woman hinted, "It is planned to play SK songs again if the atmosphere improves." In light of this, it appears the recent

unbending NK mood resulting from the nuclear issue reaches even this place. "This year the Pyongyang Karaoke halls in Beijing and other places were all closed," the woman said.

The main customers of this place are employees of NK trade corporations, who require entertainment for business, and SK tourists. Although not as clearly seen as the many SK tourists, the young women's interest in SK is high. "The women frequently ask in secret that I get them SK women's magazines," reports one member of a SK trading firm who generally has his meals here while in Dandong.

There is another combined karaoke hall and Korean restaurant in Dandong, directly managed by Pyongyang's Potong River Trade Corporation. Located in downtown Dandong, the Pyongyang Yongnamsanjang has a competitive relationship with the Pyongyang Kwan. Although last year there were more customers here than at the Pyongyang Kwan, the women sent from Pyongyang were called back at the beginning of this year. During their absence, the place is said to be dead. This may be the reason they will still play SK songs if requested.

The Pyongyang women who were here last year were so beautiful that stories were circulating about them. They seem to have caused some problem, say Korean residents of Dandong. Of the three women here now, one is from Yonbyon. The two others are from Pyongyang, but they left NK on passports for visiting relatives and got work here.

[11 May 94 p 5]

[Text]The area around the double road of 1 ma-ro and 2 ma-ro, located some two hundred meters away from the Dandong Maritime Customs, is a place similar to SK's Namdaemun Market. Over 20 businesses with signs reading, "Choson Store," are crowded together. Most are clothing stores, with an occasional general store. This place provides articles to NK peddlers. Around it here and there are located "Choson Restaurants."

There are also a few Korean stores in the vicinity of the maritime customs office. Most of the people running the Korean stores are Hwagyo [ethnic Chinese residents of Korea]. Being Chinese who used to live in NK, many have family still there.

Going to the Korean stores in the evening, one sees people putting clothing and various daily necessities into enormous gunny sacks. They are preparing articles to hand over to the peddlers who will arrive the next day. These Korean stores bring articles directly from factories in Shenyang and Dalian, and hand them over to the peddlers.

The articles handled by the Korean stores are very cheap. This is because if they are not cheap, they do not sell well in NK. A popular item is clothing of the lowest grade, which sells for 10-20 Chinese yuan (about 1-2 thousand won [W]). As for tobacco, the brand "Hongzuima [Hongjoma in Korean]," the cheapest in China at 4 jue (about W40), is stored and sold in heaps. The Korean stores doing business with peddlers are also used by North Koreans as secret contact points. We were looking at a Korean store near the

maritime customs office when a couple in their forties wearing Kim Il-song badges approached us and asked, "Are you South Korean?" Then, showing us a picture and letter from Kwangju, South Cholla Province, they asked, "This is a relative. Please find and contact him for us."

This couple, claiming to live in Sinuiju, added that they had come to Dandong on several occasions and asked around, but had been unable to make contact. When in the middle of talking a man in his thirties arrived on a NK truck and entered the store, the couple hastily took back the letter and picture and disappeared.

The peddlers make a good profit taking cheap goods into NK. Cloth going for 10-20 Chinese yuan sells for W300-400 in NK money; tobacco going for four jue in Chinese money sells for W10 in NK money. The official exchange rate is 0.7 NK won to one Chinese yuan. In actuality, however, one Chinese yuan goes for 10 NK won. Given this fact, the peddlers are making more than double their costs in profits.

However, since NK money is rather useless, they return to Dandong having bought gold dust, marine products, etc. These peddlers are said to make over 1 thousand Chinese yuan each time they make such a trip between Dandong and NK. When compared to the approximately 300-yuan monthly pay of the average Chinese workers, it can be seen that this is a well-paying trade.

Just because they are mere peddlers does not mean that anyone can do it. This is because not just anybody can go in and out of closed NK. Mr. Hwang (60), a Korean living in Dandong with experience as a peddler, said, "It is only possible if you have strong backing in NK or pay bribes." Of course, one's class background must be good.

When I took a picture in front of the maritime customs office where peddlers were gathered, a woman who appeared to be in her forties shouted, "Isn't this a SK spy?" Afterwards, many people started talking: "If you're going to take a picture, take one of a good place. Why take one here?"; "Go get a city permit." Some robust young men in their twenties even came up and pushed aside my camera.

This year, going back and forth between Dandong and Sinuiju has become more difficult. Even last year, one could get a river-crossing pass on demand. This year, however, river-crossing passes were restricted to one per year. NK is rumored to have requested this of China. One Korean living in Dandong, familiar with NK circumstances, thinks such measures are only temporary.

They believe if only the nuclear issue is concluded, NK will be the first to hasten opening. They conclude that the Kim Chong-il succession will be in danger if Kim Il-song does not achieve openness in his lifetime. Rumors are even circulating among Korean residents here that Kim Chong-il recently stopped by Sinuiju and, gazing at the Dandong side, give instructions to "make Sinuiju more developed than Dandong." With the restriction on river-crossing passes, counterfeit river-crossing passes are rampant.

Peddlers are strictly controlled when they enter Sinuiju. If they want to go to another area, they must be issued another

pass and they must not tell people what they have seen and heard in China. Even so, the spring breeze of openness goes hidden in their bundles.

[12 May 94 p 6]

[Text] Dandong is the Chinese city closest to NK's Pyongyang. There is even clear reception of NK television broadcasts. It is not very interesting due to the daily-repeated litany of the idolization of Kim Il-sung and Kim Chong-il, but Korean residents longing to hear the language of their home frequently turn the channel to it in the evening. There are more than a few among the Koreans here who say, "Honestly, emotionally I still feel closer to the NK side."

Compared with Yonbyon and other places, the SK wind started blowing late in the Dandong Korean community; it appears this was not unrelated to "psychological distance." Although late in arriving, the SK wind in the Korean community here has special significance: it can have a more direct influence on NK. Change in the Korean community here is more distinct among the younger generation. Having even graduated from college in Beijing, Ms. Yu (30, female), a second generation Korean, is part of the elite, but up until two years ago, she could speak almost no Korean. Her marriage too was with a Chinese man. However, feeling a need to learn Korean while working at a trade company, she can now sufficiently understand and make herself understood in Korean. Yu's Chinese husband became an agent for a SK businessman, a result of her being Korean.

Ethnic Korean students crowding into "Korean schools" is a similar phenomenon. It is said that up until several years ago, many ethnic students attended Chinese schools beginning with elementary school, believing that if they were going to live in China, they would have to learn Chinese. Things have changed. Parents now teach their children Korean beginning in the home when they are young.

In the Dandong area, there are 12 elementary schools and five middle schools. In the city of Dandong, there is only one Korean school. In the Dandong Municipal Korean School, preschool, elementary, and middle school classes are all in one building. There are 290 students, including 120 in high school. The reason there are so many high school students is that this is the only Korean high school and all the students crowd into it.

"Only two years ago, there weren't even half the students there are now. But the number of students rapidly increased after SK and China established diplomatic relations," said school principle Ho Hyong-haeng (56). "In two to three years, the total number of students will increase to 700 or 800." Even now, however, they are so short of classrooms that they have to use a double-shift school system, and extremely insufficient finances are worrisome, he said.

The Korean preschool groundbreaking ceremony held April 27th on an open lot at an apartment complex on the bank of the Yalu River was a festive occasion for Dandong Koreans. Preschool students in rainbow-stripped clothes sang children's songs in rhythm and acted cute. Elderly

women dressed in traditional clothing sang folk songs, merrily dancing the shoulder dance. Many officials of the municipal government as well as leading figures in the Korean community participated. Dandong television and newspapers also covered and reported the day's event.

The construction of this preschool was originally pursued by leading figures in the Korean community to resolve the Dandong Municipal Korean School's classroom shortage. Last year they were provided by the municipal authorities with a 240-pyong [approximately 948.96 sq. yds.] plot as a building site. They were unable to begin construction, however, because they could not provide for construction expenses. Hearing of their difficult circumstances, the Hanguk Sonmyonghoe gave them \$50 thousand in support as part of its "Bread of Love" project. Thus, they came to hold this day's groundbreaking ceremony.

"It is frustrating that even though we give the "bread of love" to hungry children in distant Africa, we are unable to give it to hungry children in nearby NK. Hearing that they were trying to build a Korean preschool in Dandong, which is adjacent to NK, we gave them construction-cost support, hoping the arms of love could be extended to the children of NK as well," explained Songmyonghoe president Yi Yun-ku.

After completing the groundbreaking ceremony, Yi and Kim Hye-ja, a television personality accompanying him, visited the Dandong Municipal Korean School. Only NK cartoon books were on the preschool bookshelves. When they asked the reason the preschoolers wore red neckties, the [teachers] readily replied, "To carry on the spirit of their revolutionary elders." The influence of NK was felt everywhere.

It was the same with the older, high school juniors. When told, "If you are curious about something concerning SK, just ask," one student asked, "Is there freedom in SK?" However, when Yi's party left the school, this student ran out to them. "Actually, I've been to SK with my father," he revealed, excusing his previous behavior, "I was just confused a while ago."

"Korean youth are experiencing inner conflict. Even though they know they have nothing more for which to hope from NK, emotionally they are still uncomfortable with SK. Given these emotional considerations, investment in their education is needed. Korean youth could become an important medium in the unification of the Fatherland," said a Korean who had been their guide.

Reportage on Strike Developments Continues

Pusan Subway Workers Join Strike

SK2506063494 Seoul YONHAP in English 0614 GMT
25 Jun 94

[Text] Seoul, June 25 (YONHAP)—Pusan subway workers went on strike Saturday morning, joining their colleagues in Seoul and on the National Railroads and worsening the country's transportation woes on the third day of the work stoppage.

On the national railroads, sharply reduced train runs continued for the third consecutive day as only 1,161 striking workers, or 16.3 percent of the roughly 7,000 strikers, had notified the government as of 10:00 A.M. Saturday of their intention to return to work.

To normalize train operations, the Korean National Railroad will utilize some 100 novice locomotive engineers starting next Monday and train more engineers next month, depending on the number of returning strikers, Korean National Railroad Administrator Choe Hun told reporters.

He added that his office has decided to sack 210 striking engineers for their roles in the walkout.

In view of the strike's grave effect on exports, Choe said, the emergency railroad transportation program would put emphasis on hauling cement, oil and containers.

He stressed that he has no intention of talking with Chongihyop, the private "unregistered" union of locomotive engineers which is leading the strike, to brush off the attempt by "some impure-minded engineers to resolve the problem illegally."

Chongihyop has asked the Korean National Church Council to mediate between it and the Korean National Railroad, a request that the council has accepted.

On the other hand, Seoul subway lines managed to maintain near-normal operations thanks to the utilization of 217 non-striking engineers. But on lines run by the Korean National Railroad, including Seoul-Inchon and Seoul-Suwon, train run intervals were between 30 and 40 minutes.

As of 11:00 A.M., 2,704 striking workers, 34 percent of the 8,724 Seoul subway workers, had returned to their jobs, up some 1,000 from Friday. But only 30 engineers had returned, or 3 percent of the 1,300 engineers who joined in the strike.

ONR To Dismiss Striking Engineers

SK2706013994 Seoul CHOSON ILBO in Korean 27 Jun 94 p 1

[By reporter Kwon Sang-un]

[Text] On 26 June, the Office of National Railroads [ONR] disclosed its plan to mete out strong disciplinary measures—including the deprivation of their status or dismissal from their posts—on the members of the National Council of Locomotive Engineers [NCLE] who have not yet reported to their work after the deadline set for their return has passed, by classifying them into several categories, depending on the degree of their active participation in the strike. The ONR has also decided to dismiss some 500 employees, including about 210 who have not yet returned to work after they were released by the police with a warning, and the executives of the NCLE headquarters and its 20 nation-wide branch offices.

Government 'To Cope Sternly'

SK2606090294 Seoul YONHAP in English 0851 GMT 26 Jun 94

[Text] Seoul, June 26 (YONHAP)—The government and ruling Democratic Liberal Party decided at a joint meeting Sunday to cope sternly with the illegal strike by railroad and subway workers, saying that the ongoing strike takes the form of political struggle rather than pure labor dispute.

Police, meanwhile, raided a church hall in downtown Seoul Sunday afternoon to haul away over 250 striking railroad workers who have been staging a sit-in at the hall since they began the strike last Thursday.

It was the second time in a day that the police raided sit-in protest sites of striking railroad and subway workers. Earlier in the day, police broke into Kyung Hee and Dongduk Women's Universities to arrest and disperse striking workers and sympathizing students.

In the joint government and ruling party meeting, the two sides agreed to come up with measures to fundamentally head off the possibility of railroad paralysis while trying to mobilize military manpower to minimize adverse impacts of the ongoing strike on the country's economy.

The joint meeting attended by relevant high-ranking government officials and lawmakers including O Myong, transportation minister; Nam Chae-hui, labor minister; Yi Won-chong, Seoul city mayor; and Yi Se-ki, the ruling DLP's chief policymaker, also agreed to sternly deal with any sympathy strikes which the National Council of Union Representatives or Chonnodae encompassing the nation's major manufacturing companies threatened to stage Monday.

Transportation Minister O said in the meeting "We expect the ongoing strike to enter a recovering phase starting tomorrow," adding the ministry will make it sure that the strategic material, in particular, be moved without fail.

"As of 10 A.M. this morning, the ministry finished accepting applications of the striking workers to return to their works and the ministry will not extend the deadline," said O. "From now on, the ministry will continue to accept those who want to return to their works but they should be subjected to disadvantages in personnel management."

'Near Normalcy' by End of Week

SK2706023694 Seoul YONHAP in English 0222 GMT 27 Jun 94

[Text] Seoul, June 27 (YONHAP)—Railroad transportation will return to near normalcy toward the end of the week as more and more striking engineers resume their positions.

Strikers who had returned to work or made known their intention to do so as of 9:00 A.M. Monday, the fifth day of the strike, numbered 5,755, or 88 percent of all 6,540 people. They included 2,766 locomotive engineers and 1,536 assistant engineers, 69 percent, according to the Korean National Railroad (KNR).

To compel the remaining strikers to take up their posts, the KNR warned that those failing to return by 10:00 A.M. Monday will be sacked. It estimates that some 900 engineers and assistant engineers will not return by the deadline.

As more engineers report back to work, the KNR will increase operations of commuter trains linked with the Seoul subway to 66.9 percent of the normal level by the weekend, while normalizing cargo train runs for such important freight as containers of export and import goods, oil and cement.

To fill the openings left by those who remain on strike, the KNR will utilize some 500 retired and stand-by engineers to increase passenger and cargo transportation to 90 percent of the normal level and normalize commuter train operations in the capital area by mid-July.

The KNR has already decided to sack 108 strikers, including 28 members of Chongihyop, an unregistered union of locomotive engineers which led the strike, and 70 engineers who abandoned their trains or took with them engine parts when the walkout started.

Some 360 servicemen assigned to the KNR during the strike will be employed as engineers and to perform other jobs after training, if they so desire after discharge from military service, the KNR said.

The KNR will also cite 539 workers who refused to strike and who persuaded many strikers to return to work.

In a related development, organized workers of business groups such as Hyundai and Daewoo showed no signs of initiating a walkout Monday, the day Chonnodae (the National Council of Union Representatives) set for a nationwide strike of its member unions in sympathy with railroad and subway workers.

As a result, the railroad and subway strikes are not likely to develop into a nationwide stoppage at business groups.

According to the Labor Ministry, some of the 26 big company unions belonging to Chonnodae have already refused to follow Chonnodae's nationwide strike plan, though organized workers of Hyundai Heavy Industries began a partial strike Monday morning.

Burma

Than Shwe Receives Malaysian Ministers

BK2506094594 Rangoon Radio Burma in Burmese
1330 GMT 24 Jun 94

[Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC], and commander in chief of the Defense Services of the Union of Myanmar [Burma], received Datuk Sri Dr. Lim Keng Yaik, primary industries minister of Malaysia, and his entourage, who are currently in Yangon [Rangoon], at the Ministry of Defense's Dagon House at 1000 today.

Together with Sr. Gen. Than Shwe, chairman of the SLORC, were General Maung Aye, deputy commander in chief of the Defense Services and commander in chief of the Army; Lieutenant General Khin Nyunt, secretary-1 of the SLORC; Lt. Gen. Tin U, secretary-2 of the SLORC; Lt. Gen. Tun Kyi, minister of trade; U Nyunt Swe, deputy minister of foreign affairs; and Thura U Aung Htet, director general of the Protocol Department of the Ministry of Foreign Affairs at the meeting. Together with the visiting minister was John Tenewi Nuek, Malaysian ambassador, at the meeting.

Accompanied by Malaysian Ambassador by John Tenewi Nuek, Datuk Sri Dr. Lim Keng Yaik, primary industries minister of Malaysia, and his entourage called on Lt. Gen. Chit Swe, minister of forestry affairs, at the International Business Center at 1400 today. They held cordial and frank discussions on development of forestry sector, policy on forestry, conservation of forests, exchange of technology, and mutual beneficial cooperation in the wood-based industries.

A delegation led by Datuk Sri Dr. Lim Keng Yaik, primary industries minister of Malaysia, which comprises Malaysian private entrepreneurs who are current in Myanmar, called on Lieutenant General Myint Aung, minister of agriculture, at the Myanmar Agriculture Enterprise's guest hall on Natmauk Road in Yangon at 1615 today. They held frank and cordial discussions on technological cooperation between the two countries in agricultural sector, expanding trade, especially, the mutual beneficial cooperation with the technology, good quality rubber strains, and investment from Malaysia for the development of Myanmar's rubber plantation and production enterprise, and sending skilled Myanmar workers as on-the-job-trainees to work in the rubber plantation and production work in Malaysia.

Accompanied by Malaysian Ambassador by John Tenewi Nuek, a delegation led by Datuk Sri Dr. Lim Keng Yaik, primary industries minister of Malaysia, which comprises Malaysian private entrepreneurs, called on Lt. Gen. Tun Kyi, member of the SLORC and minister of trade, at the Ministry of Trade at 0900 today. They held frank and cordial discussions on economy, investment, and trade matters.

After the meeting, the private entrepreneurs, accompanying the primary industries minister of Malaysia, held a meeting with managing directors of the trade organizations

and responsible personnel from the Directorate of Trade led by U Hla Tin, adviser of the Ministry of Trade, at the Meeting Hall of the Ministry of Trade at 0930 today. At the meeting, they coordinated and held discussions in detail on matters concerning the trade and economic cooperation.

Accompanied Malaysian Ambassador by John Tenewi Nuek, a delegation led by Datuk Sri Dr. Lim Keng Yaik, primary industries minister of Malaysia, which comprises Malaysian private entrepreneurs who are currently in Yangon, called on Brigadier General Win Tin, minister of finance and revenue, at the latter's guest hall at the corner of Merchant Street and Sule Pagoda Road at 1100 today. They held cordial and frank discussions on matters concerning economic cooperation, finance and banking, and foreign investment.

Trade With Singapore Records Annual Growth

BK2506120794 Rangoon THE NEW LIGHT OF
BURMA in English 22 Jun 94 p 12

[Text] A Press conference on Myanmar [Burma] International Exposition '94 jointly sponsored by the Ministry of National Planning and Economic Development, Ministry of Hotels and Tourism, Union of Myanmar Economic Holdings Ltd and Applied Investment (Asia) Pte Ltd of Singapore was held at the Tatmadaw [Defense Services] Hall on U Wisara Road here at 3 pm today [21 June].

Present were Managing Director of the Economic Holdings Ltd Minister for National Planning and Economic Development Brig-Gen Abel, member of the Board of Directors U Myint Swe, organizer of the Applied Investment (Asia) Pte Ltd Mr Koh Kim Seng and members and local and foreign journalists headed by Managing Director of the News and Periodicals Enterprise U Than Maung.

In his address, Minister Brig-Gen Abel recalled the visit to Singapore of Myanmar delegation led by Secretary-1 [of the State Law and Order Restoration Council] Lt-Gen Khin Nyunt and work done on trade and investment matters between Singapore and Myanmar. Afterwards, a Singapore economic mission led by Prime Minister Go Chok Tong visited Myanmar and discussed trade and investment. Agreements were then signed, he said. The minister pointed out that Singapore is Myanmar's number one trading partner. Bilateral trade has increased about 20 per cent annually, he added.

The minister disclosed that there are over 100 investments worth 1.233 billion US dollars today. The exposition is organized to accelerate the process, he said. It is also aimed at contributing toward production, marketing and making contacts as well as to industries, cottage industries, production, construction and hotel construction. He expressed his belief that the two nations would further boost trade. The exposition is also to convince entrepreneurs, merchants and construction people to do business at internal level with the use of advanced materials.

Next, organizer of the Applied Investment (Asia) Pte Ltd Mr Koh Kim Seng said the exposition is the first of its kind in Myanmar and it provides a wide range of foodstuffs and

industrial products. It is expected about 20,000 guests from Asia and Pacific region will visit the exposition. He also spoke of benefits to be gained by manufacturers and others.

Replying to questions asked by local and foreign journalists, it was stated that there were 91 businesses invested in Myanmar when Indonesian guests were briefed but there are over 100 today. Of those, investments from Singapore amounted to 500 million US dollars. An American manufacturing company in Thailand is one of the participants at the exposition.

The minister and local and foreign journalists viewed the exhibits later.

Ethnic Minority Soldiers Down Government Plane
BK2606095594 Bangkok SIAM RAT in Thai
26 Jun p 15

[Text] Fighting between Burmese Government soldiers and soldiers of the ethnic minority groups headed by Khun Sa has continued unabated for seven weeks. On 23 June ethnic minority soldiers used a SAM-7 rocket to shoot down a Chinese-made government F-7 attack bomber near Mong-ton. The two pilots were killed.

According to a report, Burmese Government soldiers were sent to search for the bodies of the pilots. They engaged in an intense clash with ethnic minority soldiers who also tried to reach the downed aircraft. Regarding the fighting in Monghtaw, government troops lost several camps and ethnic minority soldiers were able to control most of the town.

At 1500 on 25 June, ethnic minority soldiers ambushed government troops who were patrolling the east bank of the Salween River north of Mongchut, killing seven.

Fighting reportedly subsided in many areas, particularly from the area opposite Muang District, Thailand's Mae Hong Son Province, to opposite Thailand's Chiang Dao District, and in the area opposite Mae Sai District and Mae Fa Luang Subdistrict. However, fighting around Mongchut and Monghtaw continues sporadically.

Recent heavy rains have caused many soldiers from both sides to contract Malaria which resulted in a lull in the fighting.

Brunei, Malaysia & Singapore
Malaysia

Commentary: US Role in Asia-Pacific Security
BK2506153294 Kuala Lumpur Voice of Malaysia in
English 0810 GMT 25 Jun 94

[Station commentary]

[Text] The end of the Cold War has provided Asia-Pacific countries with a golden opportunity to determine the future of the region themselves. It has also presented a scenario whereby they no longer need to be new pawns of the great power's chess board. Even this, there is no need then for the

United States, the only remaining superpower in the world, to have a physical presence here. No doubt U.S. security is necessary in Asia-Pacific, but America can play this role in other ways.

As Defense Minister Datuk Sri Mohamed Najib pointed out, it could, for instance, take the form of technology transfer. It could also include defense information and access to state-of-the-art training. This, for instance, could help Malaysia in its effort to modernize its defense capabilities. The U.S. currently does not have a permanent military base in Southeast Asia. Some argue that with its drawdown of the U.S. forces and the breakup of the former USSR, there will be new powers which fill the void. It would appear in the international media that China is to be made up as the new future threat to regional security.

This perception is inaccurate, for China is now concentrating more on developing its much neglected economy. To China, its economic prosperity, which is partly tied to the region, is in itself a high spirit for the country. It is also currently involved in various dialogues, whether bilateral or multi-lateral, in the region. This is a good reflection of China's desire to be engaged in the continuous process of achieving regional peace and prosperity.

The South China Sea has often been described as the region's future flash point. Rather than adhering to the old mentality, the time has come to look to the area as an opportunity for cooperation, not confrontation. Most Asia-Pacific countries have no desire to stir the hornet's nest, but rather like to cooperate with each other. Therefore, the old Cold War mindset that the U.S. must have a permanent base here is no longer valid. In contrast, U.S. presence should be based on gaining access to facilities in the region based on the principle of mutual benefit.

There is no doubt that Asia-Pacific is one the fastest growing economic regions in the world. The stake for the maintenance of peace and regional stability is, therefore, economic prosperity. It is indeed a high stake for all the countries. As such, efforts must be geared towards ensuring the region remains prosperous so that peace would prevail. No doubt there are some security problems in the region. This is why as much as economic cooperation is important, it is equally important to establish political ties.

Only when a relationship is based on a comprehensive foundation will it be solid and able to flourish. This is what Asia-Pacific should strive for. Member countries have the capacity to turn conflicts and confrontations into peace and cooperation. It should no longer be influenced by outside powers. It is about time the region charts its own destiny.

Efforts To Give 'Clearer Perception' on EAEC
BK2606095394 Kuala Lumpur Voice of Malaysia in
English 0600 GMT 26 Jun 94

[Text] Malaysia will make continuous efforts to give a clearer perception on the concept of East Asia Economic Caucus, EAEC, among the various countries such as the U.S. and Japan. The international trade and industry minister, Datuk Sri Rafidah Aziz, said such a step had been

taken to enable that EAEC could be launched as soon as possible. Speaking to newsmen after officiating the Family Day of the Forest Research Institute of Malaysia, FRIM, in Kepong, she said at present the U.S. has not made any official stand on the EAEC concept. She added that the U.S. had expressed uncertainty on EAEC and had sought views from other countries.

U.S. Urged To Listen to East Asian Views

*BK2706111594 Kuala Lumpur BERNAMA in English
0922 GMT 27 Jun 94*

[Text] Kuala Lumpur, June 27 (OANA-BERNAMA)—Foreign Minister Abdullah Ahmad Badawi said the United States should not have made negative statements on the proposed East Asia Economic Caucus (EAEC) until the East Asian nations had given their views.

He said the United States should first listen to the views of the East Asian nations.

The Association of Southeast Asian Nations (ASEAN) will hold a meeting with East Asian countries soon to discuss the matter officially.

When all the East Asian countries have stated their views, then the other countries can give their comments, he said after receiving the Russian minister of culture, Yevgeniy Sigorov, and secretary general of the Libyan People's Congress on Foreign Affairs, Saad Mujabar [title and name as received], here Monday.

He said whatever proposal about EAEC now was still at ASEAN level and as such it was not necessary for any country outside East Asia to make any comment on the matter.

Abdullah said the U.S. should realise that EAEC was not a conspiracy against the Asia-Pacific Economic Cooperation (APEC) or the U.S.

On the other hand, he said, EAEC would be consistent with APEC and would complement the efforts of APEC, while the U.S. was seen as a friend in which Malaysia and ASEAN had many common interests.

He said ASEAN, which groups Brunei, Indonesia, the Philippines, Singapore, Thailand, and Malaysia, was holding to the statements made U.S. Secretary of State Warren Christopher and Japanese Foreign Minister Kabun Muto in Singapore last July that they did not oppose the proposal for the EAEC and were prepared to continue to discuss the matter.

Goh Urges ASEAN To Explain EAEC to US

*BK2706042094 Kuala Lumpur BERNAMA in English
0307 GMT 27 Jun 94*

[Text] Johor Baharu, June 27 (OANA/BERNAMA)—Singapore Prime Minister Goh Chok Tong said ASEAN countries must agree on a position to try to explain to the United States the East Asian Economic Caucus (EAEC).

EAEC is a caucus of the Asians within APEC (Asia Pacific Economic Cooperation)...It is not against APEC at all, he told reporters after visiting the Linggiu Dam managed by Singapore's Public Utilities Board (PUB) in the southern Johor state Sunday.

Goh said Singapore has always supported the idea of EAEC and it would continue to do so.

We have been quietly lobbying the others to ask for views and it is not in conflict with APEC, he said.

Malaysian Prime Minister Dr. Mahathir Mohamed has said Malaysia was disappointed with U.S. opposition to EAEC and hoped Japan would not be influenced by its decision.

Asked whether there was any chance the EAEC would be launched soon, Goh said the Association of Southeast Asian Nations—comprising Brunei, Indonesia, the Philippines, Singapore, Thailand and Malaysia—had agreed, so it was a question of getting the proposed members of the EAEC to meet.

He said Malaysia would have to be the primary force of the EAEC since the idea came from Dr. Mahathir.

We will support. If Malaysia has some plans to ask us to sell the idea to the others, then Singapore would be very happy to do so, he said when asked whether Singapore would play a prominent role in setting up the caucus.

Last week, a KYODO NEWS AGENCY report quoted Japanese and ASEAN officials as saying the U.S. embassy in Tokyo had conveyed to the Japanese Government on June 7 Washington's opposition to the EAEC.

However, Japan said the opposition did not mean Japan would follow the U.S. stance.

G-77 Urged To Reject Social Links to Trade

BK2506112094 Kuala Lumpur Voice of Malaysia in English 0600 GMT 25 Jun 94

[Text] Malaysia has urged G-77 [Group of 77] countries to reject the proposal to introduce social and environmental clauses into the world trade. Law Minister Datuk Syed Hamid Albar said the attempt to introduce these clauses will undermine the objectives of trade liberalization and perpetuate protectionism. He added G-77 must remain vigilant and check this attempt which would be detrimental to the objectives of a liberalized trade regime. He was speaking at a special ministerial meeting of the Group of 77 in New York. The text of his speech was faxed today.

At the meeting held to commemorate G-77's 30th anniversary, Syed Hamid called on the joint coordinating committee involving the G-77 and the Nonaligned Movement to chart a common strategy. He said G-77 had to continue to build the bridges not only with groups and institutions in the South but with those outside to overcome the asymmetries in the international economic system.

In welcoming South Africa as a new member of G-77, Syed Hamid said that cooperation among developing countries

was an integral part of the strategy to achieve economic growth. He stressed the problems of developing countries would not be resolved if they remained dependent on the international community and without a specific follow-up of the declarations adopted. He said the issue of poverty which affected one-third of the global population should be given priority attention in the United Nations agenda for development.

Thai Ambassador Clarifies Stand on Al-Arqam

BK2406123394 Kuala Lumpur NEW STRAITS TIMES in English 23 Jun 94 p 13

[From the "Letters" column]

[Text] I refer to the report concerning the allegation that the Al-Arqam movement had established a 213-man armed unit being trained in several places, including Bangkok (New Straits Times [NST], June 16).

I wish to inform the readers of the NST of the following:

Freedom of religion is guaranteed under our constitution. All religions are freely propagated. There is an exceptionally high degree of tolerance instilled in the Thai people to the diversity of religious practice.

If there are members or supporters of a religious order who practise their beliefs in Thailand within the law, they shall be entitled to all due protection.

As regards the Al-Arqam movement, the embassy takes note that there are still differences of opinion within Malaysia and that a dialogue between the two sides holding opposing views has been advocated.

On this matter, the Royal Thai Government has neither the policy nor the intention to interfere in the internal affairs of others, especially our neighbouring countries.

With regard to the alleged training of the armed unit in Thailand, there has been no clear evidence put forward by any party.

We not only would like to receive such evidence but stand ready to extend all necessary co-operation so that this issue would become transparent, thereby preventing any misunderstanding that may harm the cordial ties which have happily existed between our two countries and peoples. [signed] Suraphong Posayanon,

Ambassador, Royal Thai Embassy,
Kuala Lumpur

Al-Arqam Leader Believed To Be in Thailand

BK2406160194 Kuala Lumpur NEW STRAITS TIMES in English 23 Jun 94 p 6

[Report by Abu Yamin Salam, Zubaidah Abu Bakar, and Noor Adzman Baharuddin]

[Text] Melaka, Wed.—The Immigration Department has been instructed not to renew Al-Arqam leader Asaari Muhammad's passport unless he personally applies for renewal.

Deputy Home Minister Datuk Megat Junid Megat Ayub said Asaari should not be allowed to use a proxy to renew his passport.

"We want him to come personally to the department," he told reporters after addressing a seminar on the role of Penawar, a bureau in Pemadam [antidrug association] which helps families of dadah [drug] addicts cope with related problems.

Although Megat Junid declined to elaborate, he indicated that there were a few things that the Government needed to know from Asaari, who is believed to be in Thailand.

Megat Junid also instructed the Immigration Department to ensure that Al-Arqam sympathisers within the department do not renew Asaari's passport without the latter coming to the office.

He added that the Government was getting information on Al-Arqam's activities in Thailand.

Megat Junid said he had spoken to Thai Deputy Foreign Minister Dr Abdul Halim Surin [name as published] on the matter and the latter had given an assurance to co-operate fully with Malaysian officials.

Although many negative things have been said about the Al-Arqam movement, Megat Junid said appropriate action could only be taken with proof of wrongdoing.

He also believed that many people joined the movement for its religious activities and it would not be appropriate to assume that they were engaged in activities that threatened national unity.

"The movement has about 10,000 hardcore members but it has about 100,000 sympathisers. We cannot assume that these people are involved in the formation of its alleged Badar [Warrior] Army" he said.

Asked why Al-Arqam conducts many of its activities in southern Thailand, Megat Junid said: "Only Asaari can answer that. The movement should continue to carry out its activities here if they do not breach the rules."

In Alor Star, the Kedah Government has directed the State Islamic Religious Department to identify Al-Arqam members among civil servants.

State Islamic Religious Affairs Committee chairman Sheikh Alias Mustaffa said the department had also been asked to compile a list of activities conducted by Al-Arqam members here.

"We are aware that the movement is quite active in the State. We need to know the extent of the members' activities and influence on the people," he said after closing a day-long seminar for 600 imams [clergymen] and religious teachers here yesterday.

Sheikh Alias said the directive was in line with the department's move to check Al-Arqam activities.

In Kangar, Kedah Menteri Besar [Chief Minister] Tan Sri Dr Abdul Hamid Pawanteh said the State Government was monitoring the activities of the Al-Arqam movement and several other missionary groups to check deviant activities.

"The State Islamic Affairs Council is aware of the existence of religious cults in Perlis.

"We do not want to have any group using religion for self-gain or for the benefit of a certain group of people to exist in the State," he added.

Dr Hamid said the State Government needed evidence that the Al-Arqam had deviated from Islamic teachings before it could decide on what action to take.

Al-Arqam has a base at Titi Tinggi along the Kangar-Padang Besar trunk road and its followers are involved in a wide range of economic activities in Perlis.

The Islamic Centre recently alleged the Al-Arqam has 313 armed units called the Tentara Badar [Warrior Army].

MOU Signed for Aeronautics, Training School

*BK2706092494 Kuala Lumpur BERNAMA in English
0819 GMT 27 Jun 94*

[Text] Kuala Lumpur, June 27 (OANA/BERNAMA)—A memorandum of understanding [MOU] for the setting up of a training institute for aeronautics and aviation was sealed between a local company based in the northern Perak state and a firm in California Sunday.

According to a statement issued by the Perak State Development Corporation here Monday, Perak Chief Minister Ramli Ngah Talib, who is leading an investment mission to North America, witnessed the signing ceremony.

It was signed between A & J Enterprises Inc., a subsidiary of Northrop-Rise Aviation Institute of Technology of Inglewood, and Metravest Sdn Bhd [Private Limited].

The proposed school, to be built near the Perak capital of Ipoh, will be named the Northrop-Rise Aviation Institute of Malaysia.

Renowned Northrop USA would provide experts in the technical field while Metravest would handle the management side in developing and operating the institute in accordance with the U.S. Federal Aviation Agency standards, the statement said.

Committee Official Reports on Demarcation

*BK2706080194 Kuala Lumpur BERNAMA in English
0608 GMT 27 Jun 94*

[Text] Kota Kinabalu, June 27 (OANA/BERNAMA)—The demarcation of the international boundary between Malaysia and Indonesia in Sabah and Sarawak (in East Malaysia), which started in 1975, is expected to be completed by the year 2000, Land and Cooperative Development Secretary-General Azmeer Rashid said Monday.

He said 98 percent or 333 km of the boundary in Sabah and East Kalimantan on the Indonesian side had been demarcated and agreed to by the two countries.

Work to survey and demarcate the remaining two percent or an estimated 50 km is expected to be completed soon, he told reporters in Sabah.

Azmeer is leading an 18-member team to the 19th meeting of the Malaysia/Indonesia joint committee on the demarcation of their international boundary while Indonesia is represented by a 16-member team, headed by Major General H. Suryatna Subrata of the home affairs department.

For the boundary in Sarawak and West Kalimantan, Azmeer said only 35 percent or 1,400 km had been demarcated and agreed upon.

Minister Views GTs in Non-ASEAN Nations

*BK2706083894 Kuala Lumpur BERNAMA in English
0642 GMT 27 Jun 94*

[Text] Kuala Lumpur, June 27 (OANA/BERNAMA)—Non-ASEAN Southeast Asia can also spawn viable and active growth triangles (GTs) to the same level of success as those in the Association of Southeast Asian Nations, says Deputy Finance Minister Mustapa Mohamed.

He said that although the idea of GTs, aimed at accelerating sub-regional economic growth, has not progressed in these areas, it was a matter of time before there was greater collaboration and collective action with ASEAN, which groups Brunei, Indonesia, the Philippines, Singapore, Thailand and Malaysia.

Most regional trade and investment links had been chiefly among countries in ASEAN and North-East Asia and a lot more needed to be done within the non-ASEAN Southeast Asian countries, he said when opening the fourth Southeast Asia roundtable on economic development growth triangles in South-east Asia, organised by the Institute of Strategic and International Studies (ISIS) here Monday.

Mustapa said while ASEAN was home to some of the fastest growing economies, it was also home for a number of poorer states, thus there was a need to step up growth in the slower regions as the faster ones surge ahead.

ASEAN has, within a short span of time, seen the emergence of several successful GTs such as the Batam Triangle or Sijori involving Singapore, Malaysia's southern Johor state and Indonesia's Riau, the Indonesia-Malaysia-Thailand GT (IMT-GT) as well as the recently agreed East-ASEAN Growth Triangle comprising Brunei, Kalimantan, East Malaysia and southern Philippines.

Nevertheless, Mustapa said ASEAN was heartened to see the few seed-beds of regional growth zones beginning to take more concrete forms such as among southern Laos, west Cambodia and eastern Thailand.

Anti-Palm Oil Campaign in U.S. 'Waning'*BK2406120-194 Kuala Lumpur BERNAMA in English
0956 GMT 24 Jun 94*

[Text] Kuching (East Malaysia), June 24 (OANA/BERNAMA)—The anti-palm oil campaign waged by certain quarters, especially in the United States, is waning in the face of counter measures taken by Malaysia, Palm Oil Promotions Council of Malaysia Chairman Dr. Ani Arope said Friday.

He said the U.S. was beginning to see the advantages of palm oil used for cooking, and the outlawing there of the no palm oil labelling on canned and food products had helped.

Five years of intensive campaign by Malaysia has begun to show positive results. The U.S., the biggest opponent of palm oil at one time, is now using a lot of palm oil, he told reporters after the launching of the palm oil week in this state capital of Sarawak.

Ani said there had been no new attempts to oppose the use of palm oil in developed countries.

Palm oil was poised for a golden era because it was far more competitive than other types of cooking oils, he said.

Farmers in Europe and the U.S. can only get 0.5 tonnes of vegetable oil per hectare of crops but we are more efficient because one hectare of oil palm can yield 4.5 tonnes of oil.

Compared with soya beans, which have to be planted every year, oil palm has the edge because it can last 25 years, he said.

Singapore**Editorial Views Indonesia's Recent Ban***BK2406160294 Singapore THE STRAITS TIMES in
English 24 Jun 94 p 34*

[Editorial: "An Absolute for Jakarta"]

[Text] The Indonesian authorities' ban on three magazines, and the demonstrations of support for the media this has brought, have presented the government with a tricky question: just what was the campaign of political openness signalled by President Suharto four years ago meant to achieve? Broadly speaking, it was to create the conditions for economic upliftment and the modernisation of society. Just last week, State Secretary Mardiono told a seminar that any political system had to be dynamic and open to change in accordance with new demands and conditions. "The global political trend demands greater political openness and greater respect for human rights," he had said. All that is worthwhile. For the country to advance, it takes more than opening up the economy to foreign participation. Domestic strengths need to be maximised. It can be no surprise then that a liberalisation of the spirit has brought with it an exuberance among activists that can come uncomfortably close to upsetting public order. Recent events have been revealing. If they spin out of control, the consequences can be dire as Indonesian society in urban centres remains a combustible mix of extreme wealth and

unfulfilled wants. It lacks the buffer of a growing middle class found in Taiwan and South Korea when these countries began to ease off on societal restrictions less than a decade ago. If not managed properly, it could deal Indonesia's cause of openness a blow which would take years to repair. That equally would be harmful to an emancipating society.

The Medan labour riots over minimum pay were bad enough, but they began to take on a racial complexion with the discovery of anti-Chinese leaflets. Then came the Bapindo corruption case, which has dramatised for many Indonesians to hold the Chinese have on the economy and their friends in high places. Earlier, the virulence of student agitation over a state-sponsored lottery had warned the security agencies of the dangers of pent-up emotions being released suddenly. In a separate case, the sentencing of 21 students for defaming the president brought home to many the power of pressure groups.

These are internal dynamics. Recent remarks by two key generals leave one in doubt that the authorities are alive to the dangers. This is a comfort to Indonesia's neighbours who share its concern for internal stability to drive economic expansion. Gen. Feisal Tanjung, head of the armed forces, cautioned last month that political dialogue had to come with a sense of responsibility and consensus to "take into account our cultural condition". Brig-Gen Agum Gumelar, head of the Kopassus [Special Commando Force] force which aided the crushing of the communist forces after the abortive 1965 coup by the PKI, the Indonesian Communist Party, has warned of the communist revival. In today's context, that could be taken as a code for the radical groups—student and labour activists, environmentalists and human rights advocates—which some quarters see as troublesome.

Here, the hope must be that just as it is vital to secure public order, care must be taken that debate and legitimate expressions of grievance are not snuffed out. Such a development would ill-serve Indonesia. The difficulty, as is standard when discussing a polity as complex as Indonesia's, is in making the ground rules for participatory democracy as clear as can be. Complicating the equation is the internal dimension. Indonesia is the chairman of the Non-Aligned Movement, and it has hopes for a non-permanent seat on the United Nations Security Council. In November, it will stage the second summit of the Asia-Pacific Economic Cooperation members. Wanting to be a player on the world stage carries with it obligations, such as adherence to certain standards of behaviour, which may be at odds with what has been happening at home. But domestic stability is paramount—this is an absolute to preserve conditions for uninterrupted growth in Southeast Asia.

Cambodia**Party Statement Supports U.S. Initiative***BK2506122794 Phnom Penh AKP in French 0352 GMT
25 Jun 94*

[Quotation marks as received]

[Text] Phnom Penh 25 Jun (AKP)—“The Cambodian People’s Party (CPP) categorically opposes all attempts by the Khmer Rouge [KR] to abolish the constitution of the Kingdom of Cambodia in their demand for the dismantling of the National Assembly and the royal government. The Khmer Rouge has demanded the establishment of a new government that also comprises their representatives,” says a statement made public on Wednesday by this party.

“The CPP, the statement continues, considers the constitution of the Kingdom of Cambodia a precious acquisition of the entire Cambodian nation and also the international community, who has provided considerable and sincere assistance.

“This precious acquisition has also been obtained through His Majesty Norodom Sihanouk, very revered leader,” stresses the statement.

“If we make concessions to those responsible for the genocide and those who torpedoed the Paris agreement, boycotted and sabotaged the elections, and who are now destroying the country, this would be serious contempt of the Cambodian people and a big blow to the results of the UN operations in Cambodia.”

The CPP also (?says) that it will stick to its position now and in the future. Future generations of Cambodians also have the duty to value this achievement. The CPP demands that the settlement of all Cambodia’s current problems be in accordance with the country’s constitution.

The CPP eagerly supports the idea advanced by the United States, the other governments, and the public the world over. This concerns the establishment of an office to carry out research on the crimes committed by the Khmer Rouge against the Cambodian people and foreign nationals for the preparation of files so that court proceedings could be instituted.

Joint Statement on Copremiers’ Visit Issued

*BK2406140094 Phnom Penh AKP in English 0943
GMT 24 Jun 94*

[Text] Phnom Penh AKP June 24—The Cambodian two co-premiers Samdech Krompreah Norodom Ranariddh and Samdech Hun Sen, who led a delegation of the Royal Government of Cambodia to pay a two-day state visit to Indonesia arrived here on Wednesday.

The visit, which was made at the invitation of Indonesian President Suharto, concluded on June 22 with the following joint statement:

“During the visit, the first and second prime ministers of the Royal Government of Cambodia and their delegation laid a wreath at the Kalibata heroes cemetery, and visited several places of cultural and historical significance.

“First Prime Minister and Princess Norodom Marie Ranariddh and Second Prime Minister and Madame Lok Chumteav Hun Sen paid a courtesy call on His Excellency Vice President and Mrs. Try Sutrisno.

“President Suharto, president of the Republic of Indonesia, and the first and second prime ministers of the Royal Government of Cambodia had a very useful exchange of views covering a wide range of bilateral, regional and international issues of mutual interest. The meeting was held in an atmosphere of friendship, mutual understanding and cooperation. At the meeting, the first and second prime ministers of the Royal Government of Cambodia conveyed to His Excellency President Suharto the best wishes of His Majesty Preah Bat Samdech Preah Norodom Sihanouk Varaman, king of Cambodia. His Excellency President Suharto expressed his gratitude and conveyed, through the first and second prime ministers of the Royal Government of Cambodia, the best wishes for the health, longevity and happiness of His Majesty the king of Cambodia.

“Two separate meetings on political, security and economic matters were simultaneously conducted during parallel talks between the two official parties at ministerial level. At the meeting on political and security matters, the Indonesian side was led by Minister for Foreign Affairs ad interim, H.E. Mr. Susilo Sudarman and the Cambodian side was led by Deputy Prime Minister, Minister for Foreign Affairs and International Cooperation, HRH Prince Kromkhun Norodom Sirivut. At the meeting on economic matters, the Indonesia side was led by Minister for Trade, H.E. Dr. Satrio Budiarjo Joedono, and the Cambodian side was led by Minister for Agricultural, Forestry and Fishery, H.E. Mr. Kong Sam-ol. The two sides briefed each other on the political, security and economic developments of their respective countries and exchanged views on how to further promote bilateral cooperation.

“The two sides expressed their satisfaction regarding the development of bilateral relations between the two countries and acknowledged the existing potentials for broader cooperation in the fields of commerce, tourism, agriculture, rural development, environment, public health, education culture and infrastructure.

“Following the parallel talks, the two sides signed an agreement between the government of the Republic of Indonesia and the Royal Government of Cambodia on economic and technical cooperation which signifies the new era of Indonesia-Cambodia relationship.

“The Indonesian side expressed that it highly valued the important role and continuing efforts undertaken by His Majesty Preah Bat Samdech Preah Norodom Sihanouk Varaman, king of Cambodia, for national reconciliation and in favor of bringing about peace, stability and progress for the Cambodian people. The Indonesian side highly appreciated the efforts of His Majesty Preah Bat Samdech Preah Norodom Sihanouk Varaman, king of Cambodia, in order to consolidate and develop even further the traditional relations of friendship and cooperation existing between the peoples of the Kingdom of Cambodia and the Republic of Indonesia. The Indonesian side expressed its firm belief that under the personal and clear-sighted leadership of His Majesty Preah Bat Samdech Preah Norodom Sihanouk Varaman, king of Cambodia, the

people of Cambodia will successfully build an independent, peaceful, neutral and prosperous Cambodia.

"The Cambodian side expressed its deep gratitude to the government and to the people of Indonesia for their firm, generous and active support to the peace process in Cambodia both as a member of ASEAN and individually, in particular for Indonesia's initiative in organizing a series of Jakarta informal meetings (JIM) and the important role played by Indonesia as co-chairman of the historical and successful Paris international conference on Cambodia (PICC), the sending to Cambodia of the valiant Indonesian peace-keeping operations contingent in the framework of UNTAC [UN Transitional Authority in Cambodia] and the valuable contribution for the rehabilitation and reconstruction of Cambodia.

"The Indonesian side expressed its appreciation to the restoration of the neutral, independent and sovereign status of Cambodia within its territorial integrity, as provided for in the Paris agreements on a comprehensive political settlement of the Cambodia conflict signed in Paris on October 23rd 1991 and reiterated its firm support to the Royal Government of Cambodia which was established as a result of free and fair general elections, under international supervision held in May 1993.

"The two sides noted with satisfaction the successful outcome of the 11th conference of the non-aligned countries held recently in Cairo. Cambodia, one of the members of the non-aligned movement, calls on Indonesia, as president of the movement, to strengthen and heighten the role of the non-aligned movement. It is convinced of the movement's success."

Commentary Claims Foreign Press Sowing Dissent

BK2706083594 Phnom Penh DAMNOENG PEL PROEK in Cambodian 24 Jun 94 pp 1, 4

[Unattributed commentary: "Buck-Toothed"]

[Text] No buck-toothed guys have charged Cambodian papers printed in the West of violating the press law. Not just those printed in the West, even the Thai newspapers have spread so much divisive news to sow dissension among Cambodians without even an iota of truth. For example, they have claimed that Prince Kromkhun Norodom Sirivut and His Excellency Sam Rangsi would resign their government portfolios if the Khmer Rouge were declared outlaws.

Are the Khmer Rouge related in any way to His Highness Norodom Sirivut and His Excellency Sam Rangsi? Are they their fathers-in-law or what?

Although they have published such a blatant falsehood, no buck-toothed people dare accuse them of day-dreaming. Maybe these buck-toothed guys are too buck-toothed to do something normal persons would do.

Battambang Deputy Governor on KR Situation

[Editorial Report] The 4 June edition of MATICHON on page 4 carried a report quoting Battambang Deputy Governor Serei Kosal as saying that government forces are capable of driving the Khmer Rouge [KR] out of Battambang Province. He noted that government forces—spearheaded by paramilitary police—had driven the Khmer Rouge out of Svay Sa, 60 kilometers south of Battambang. Kosal also said that "if government forces are given the order to retake Pailin, they could do so within two days." He added that government units are being reinforced, noting that Khmer Rouge strength around Pailin has been exaggerated and that the Khmer Rouge had lost 300 troops in their recapture of Pailin in April.

Indonesia

Murdiono Expresses 'Shock' at Japanese Resignation

BK2506112794 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 25 Jun 94

[Excerpt] Speaking to newsmen at Bina Graha [presidential office] in Jakarta today, Murdiono, minister/state secretary, said Indonesia feels that Japanese politics is mature enough that the change in its premiership will not affect the previous government's commitment.

Murdiono expressed shock upon hearing the news of Japanese Prime Minister Tsutomu Hata's decision to undertake the mass resignation of his cabinet. However, he said that what is important to Indonesia is to see that the new Japanese Government's national policies remain the same. [passage omitted]

Foreign Ministry Regrets Forum in Malaysia

BK2406160694 Jakarta ANTARA in English 1116 GMT 24 Jun 94

[Text] Jakarta, Jun 24 (ANEX-ANTARA)—The Indonesian Foreign Ministry on Friday expressed deep regret over the plan of the Malaysian Non-governmental Organizations (NGO's) to conduct a forum on East Timor.

"The holding of such a forum will definitely damage the solidarity and good relations between Indonesia and Malaysia as both are members of the ASEAN," Foreign Ministry Information Director, Irawan Abidin, told ANTARA.

A transnational news agency said that the Malaysia Action Front, a group comprising 30 NGOs, is organizing an East Timor forum late Friday.

"A good number of people were invited to attend the two and a half hour forum. But it is different from the one held recently in Manila which was conducted on a large international scale," Syed Hussain Ali, who would be one of the speakers at the forum, quoted by AFP as saying.

Irawan Abidin said he is still waiting for a detailed report regarding such planned forum from the Indonesian Embassy in Kuala Lumpur.

"But, I believe that it is just a "disinformation campaign" from certain groups to test Indonesia's reaction," he said.

Armed Forces Urge Malaysia To Cancel Forum

BK2506152894 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 25 Jun 94

[Text] Brigadier General Syarwan Hamid, Chief of ABRI's [Indonesian Armed Forces] Information Center, told newsmen in Jakarta today that ABRI shares the opinion of the Indonesian Foreign Department in regretting the plan by Malaysian Non-Governmental Organizations (NGO's) to conduct a forum on East Timor.

He said that if the forum in Malaysia is allowed to proceed, the solidarity and good relations between Indonesia and Malaysia will be negatively affected.

The Indonesian Government hopes that the Malaysian Government will adopt the same attitude as that of the Philippine Government, whereby a planned forum on East Timor was canceled.

The ABRI Information Center chief feels that the forum to be held in Malaysia can tarnish the good reputation of the Indonesian Government, particularly the ABRI.

Suharto Discusses Upcoming APEC Summit

BK2706013094 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 27 Jun 94

[Text] President Suharto received Golkar party participants at a technical workshop sponsored by the Fisheries and Agriculture Department in Tapos, Bogor yesterday. He said Indonesia should work hard during the upcoming Asia-Pacific Economic Cooperation, APEC, summit so Indonesia and the other developing nations will benefit from decisions reached by the developed nations at that summit.

He also stated that Indonesia will not make superfluous requests during the upcoming APEC summit because Indonesia and the other developing nations have never suffered any losses as a result of the decisions taken by the developed nations. President Suharto, however, cited an example where the recent decisions taken by the developed nations caused the appreciation of the Japanese yen. Indonesia did not benefit from that decision because it now has to eke out an additional U.S.\$2 billion for its loan repayments as a result of the yen appreciation.

The upcoming APEC summit, which is scheduled to be held in Bogor in the middle of November, is considered appropriate for Indonesia because it will involve developed industrial countries and their developing counterparts.

Speaking during a dialogue session with Golkar party participants to the workshop session, the head of state said that Golkar need not make any request for added funds for state-owned agencies. According to President Suharto, the party has sufficient funds in state-owned agencies, which range from one to 15 percent, meant for small-scale entrepreneurs.

Suharto Assails Nations' Economic Policies

BK2606131394 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 26 Jun 94

[Text] President Suharto says Indonesia must work hard during the upcoming APEC [Asia-Pacific Economic Cooperation] meeting to ensure that the future policies of developed nations will no longer harm the interests of Indonesia and other developing nations. The head of state said this when he received delegates attending a working technical meeting of the Department of Farming and Fishery of the Functional Group at the Tapos Ranch in Bogor today. He said the current policies of developed nations have often harmed the interests of Indonesia and other developing nations. For example, Japan continues to increase the value of its yen. President Suharto reiterated the paramount importance of the economic development of developing nations. Indonesia manages to achieve a seven-percent economic growth and keep inflation below 10 percent annually. Indonesia considers the APEC meeting, which will take place in Bogor in November, an appropriate forum because industrialized and developing nations will be represented there.

ABRI To Shift Training From US Academies

BK2406123094 Jakarta TEMPO in Indonesian 18 Jun 94 p 27

[Excerpts] ABRI [Indonesian Armed Forces] officers will no longer have U.S.-oriented education, and they will have to study somewhere else. Where will they receive their training? "Australia," said one source at the ABRI headquarters. "Australia is not only closer, but it also offers more areas of studies," added the source.

The efforts to shift the officers' education to the continent of kangaroos are made in anticipation of the U.S. Congress' move. Last month, the U.S. Congress endorsed a clause in its Foreign Assistance bill stipulating that ABRI officers will not be allowed to attend U.S. military academies. This means that if the bill becomes law, ABRI officers will no longer be allowed to study in the country with the most powerful armed forces in the world. The ABRI has sent its officers to the United States since the 1950's.

The trouble started with the outbreak of the 12 November 1991 Dili incident. Following the incident, the U.S. Government decided to stop the International Military Education and Training [five preceding words in English] program for Indonesia. Before that, the U.S. Government spent 4.5 billion rupiah annually to pay the scholarships for ABRI officers studying there. [passage omitted]

Navy Commodore Yuswaji, chief of the Defense and Security Department's Public Relations and Foreign Relations Bureau, said that there are alternative countries to send ABRI officers for training. "If we cannot study in the United States, there are other countries like Australia and Britain," he said.

Is military training in the United States better? A high-ranking officer said military training in Australia is adequate because overseas training is basically aimed at widening one's horizon and doing comparative studies. "The pure military science taught in the United States is hard to be applied here because they use sophisticated military equipment," said the officer, who has studied in the United States several times.

Minister Defends Need for Foreign Loans

BK2506131594 Jakarta SUARA PEMBARUAN in Indonesian 10 jun 94 p 4

[Text] Jakarta 10 Jun—Commenting on the additional World Bank loan of U.S. \$101.5 million to Indonesia, Saleh Afiff, coordinating minister for economics, finance and supervision of national development, told newsmen that Indonesia still needs foreign aid to sustain its 6.2 percent economic growth. However, the government's total foreign debt of U.S. \$93 billion has now reached a psychological level. In view of that, Indonesia has to manage its foreign loans carefully.

The World Bank loan will be used as an additional fund to upgrade 1,620 kilometers of road and maintain 6,000 kilometers of roads in 27 districts.

Mr Saleh admits that to date, Indonesia's foreign debt has almost reached a psychological level with the figure approaching U.S. \$100 billion. "The people will be shocked to hear that our foreign debt has reached U.S. \$100 billion. Likewise, if the inflation rate is above 10 percent, the people will be psychologically affected and will be worried", he said.

Even if it is so, the most important thing is to have the ability and willingness to repay the foreign debt. Indonesia is committed to debt repayment and will not ask for its installments to be rescheduled.

After signing an agreement for an agricultural loan with the International Fund for Agriculture Development (IFAD), Finance Minister Mar'ie Muhammad said there is no need to make a fuss over the rise in foreign debt. This is because repayments are not only being made by the government. Projects that utilize the loans will also have to contribute to the repayments, which is being done in installments. He explained that foreign loans have been handed over to the government because the World Bank only gives loans to a single borrower.

Continuing, Afiff said that there are three types of loans being extended to the government. They are: soft loans payable under a long-term period under the coordination of the CGI [Consultative Group on Indonesia], export credit, and foreign commercial loans (PKLN). "What we require is the soft loans, considering that the conditions attached are not very strict," he added.

On the other hand, Indonesia has to be very careful about its foreign commercial loans, especially now that the total has reached 40 percent out of the U.S. \$93 billion debt. "We have to act cautiously and not add to the huge amount

of PKLN loans. However, we still need such loans to ease the government's burden of financing development projects," he said.

He said that the debt service ratio [three preceding words in English] (DSR) is the yardstick for measuring the safe limits of a nation's foreign debt. Currently, the state's DSR, including that of the private sector's has reached 30 percent.

Minister Afiff expressed the hope that the foreign commercial loans team will do a good job in preventing the private sector from using the government's name to take advantage of the foreign commercial loan facilities.

Responding to the World Bank's prediction that Indonesia's economic growth during the Sixth Five-Year Development Plan [Repelita VI] will reach at least eight percent annually if bureaucratic constraints on the economy are limited, Afiff said that would be rather difficult. He said based on the present conditions, it would be hard to achieve such high economic growth.

"We will be satisfied if we achieve a 6.5 percent growth under the Repelita VI. This exceeds the 6.2 percent target," he said.

According to the coordinating minister, to achieve such high economic growth, there must be efficiency in both the bureaucracy as well as state-owned firms. As Indonesia's growth is fragile, the economic machinery will overheat if growth is rapid, he said. He added that the conditions that contribute to an overheated economy are the oversupply of money, an increase in the current account deficit, as well as other related factors.

He said the fragile economic growth is due to the decline in the export on non-oil and non-gas commodities, the fluctuation of oil prices, and also strong pressure from the foreign debt problem. "If the government can control the macroeconomy, rapid growth will not result in the overheating of the economy," he said.

Protests Against Publications Ban Reported

'Violently' Broken Up

BK2706060094 Hong Kong AFP in English 0545 GMT 27 Jun 94

[Excerpts] Jakarta, June 27 (AFP)—Baton-wielding police and soldiers violently broke up a demonstration Monday involving some 300 demonstrators protesting the Indonesian Government's suspension of three popular weekly newspapers.

At least 10 people were arrested and at least several were injured and bleeding after being struck by security personnel in a main street here, witnesses said.

Police said there were only four arrests, however.

Hundreds of police in anti-riot gear and soldiers in combat fatigues and black T-shirts with "Operation Cleansing 1994" written on them descended on the demonstrators as they marched toward the Information Ministry.

Many of the marchers were seen being beaten and kicked.

The head of the Central Jakarta police station, Lieutenant-Colonel Dadang Garnida, said at the site of the protest that security personnel had no choice but to use "force" because the demonstrators ignored their demand to disperse.

The demonstrators—students, human rights activists and journalists—held similar protests in front of the information ministry on the three previous days after the government revoked the licences of three popular weekly newspapers last Tuesday. [passage omitted covered by previously filed items]

About two kilometres (a mile) away from the site of the demonstration, a group of 150 pro-government supporters favouring the ban on the weeklies gathered for about 45 minutes before dispersing peacefully, witnesses said.

At the same time, lawyer Adnan Buyung Nasution of the Legal Aid Foundation, a human rights organisation, was supposed to lead representatives of three weeklies to new talks with Information Ministry officials. A first meeting, with Director-General Subrata, took place Thursday.

Nasution warned earlier that protests against the ban would spread across Indonesia unless it was lifted.

More on Police, Soldiers Actions

*BK2706075794 Hong Kong AFP in English 0717 GMT
27 Jun 94*

[Excerpts] Jakarta, June 27 (AFP)—Baton-wielding police and soldiers violently broke up two demonstrations Monday against the government's suspension of three popular weekly newspapers, just ahead of Australian Prime Minister Paul Keating's arrival.

At least 23 people were arrested and at least several were injured and bleeding after being struck by security personnel, witnesses said.

Police said there were only four arrests, however, in what was the toughest crackdown on demonstrators here in a week marked by growing unrest in Indonesia over the press crackdown.

For the first time, banners carried by the protesters said Information Minister Harmoko should resign if the ban was not lifted.

Political sources here said the government was concerned that Keating might cause embarrassment to Indonesia's leadership by raising the question of the press clampdown with President Suharto. [passage omitted]

The head of the Jakarta police, Major General Hindarto, said long-standing Indonesian law prohibited the gathering of more than five people under such circumstances.

A short time later, soldiers dispersed another group of about 150 artists led by the well-known artist Rendra, who were protesting the ban on the weeklies in a park near the Information Ministry.

The security officials chased down the demonstrators and destroyed their banners less than one minute after ordering the crowd to disperse. [passage omitted]

Daily: 'Liberal' Press Could Hinder Development

*BK2606125594 Jakarta SUARA PEMBARUAN in
Indonesian 13 Jun 94 p 2*

[Editorial: "The Press, Regulation, and Their Inclinations"]

[Text] Let us take the opportunity to touch on government regulation No. 20/1994 on Shareholdings in Foreign Investment Companies. Let us specifically examine several facts about the process of formulating a law on the national press and its existence in the country.

Recently, following his meeting with President Suharto, Information Minister Harmoko said that the issue of opening the media industry to foreign capital is in reference to Press Law No. 11/1966. In a working meeting with Parliamentary Commission II [Roman numeral two] on Wednesday, 8 June, Minister/State Secretary Mardiono reiterated that the new law on foreign investment is not meant to affect Press Law No. 11.

It is a fact that Press Law No. 11 1966 was issued much earlier than the Law on Foreign Investment No. 1/1967. Article 13, Sub-Article (2) of the press law reiterates that capital for press companies should be fully state-owned. On the other hand, Article 6 of the Law on Foreign Investment opens the mass media sector to foreign investors on the condition that they do not become wholly-owned foreign enterprises.

The question that arises now is why did policymakers not fairly consider and look into details of the press law when they formulated the Law on Foreign Investment No. 1/1967? However, there are people who feel that there is no need to create a controversy over the law on foreign investment and the press law because the two laws regulate two different points. Law No. 11/1966 deals with press regulation, while Law No. 1/1967 regulates the mass media industry. It is common knowledge that the mass media cover much wider areas than the press.

The fact that the government is in the process of producing a draft bill on broadcasting lends support to the above statement. This means that the electronic media is regulated by an exclusive law and the print media is regulated by the press law.

When electronic media and print media are regulated by their respective laws, there is a tendency for journalists working for electronic media to be affiliated with journalists from the print media under the Indonesian Journalists Association (PWI).

We should take lessons from our past experience in connection with the issue of allowing foreign capital to enter the media industry. This is because in the 1960's, when the industry was widely opened to foreign capital, the foreign investors insisted on a revision of the Code of Laws on

Trade pertaining to the right to votes for companies' shares. As we all know, Article 54 of the Code of Laws on Limited Companies imposes a limit on the freedom of votes. Even if a person owns 100 percent of the shares in a company, his right to vote is limited to six shares only.

The foreign investors tried to make a breakthrough on this rule—they wanted unlimited freedom of votes. The foreign investors' wish was achieved via Law No. 14/1971 that does not impose a limit on votes. In other words, the law fixes a one-share-one-vote system. With the issuance of Law No. 14/1971, existing limited companies have the options either to observe the limited votes according to the Code of Laws on Trade or to opt for the one-share-one-vote system under Law No. 14/1971.

The foreign investors have a strong influence and we are worried about the mass media industry opening up to them, even if they do not wholly-own the enterprises. If the foreign investors come from countries that adopt a liberal democracy, there is a strong possibility that they will want the media industry that they have invested in to adopt a liberal press.

As we all know, our national press does not adopt the antagonistic competition attitude the way a liberal press policy does. On the other hand, our national press adopts the symbolism of the mutually supportive and not the mutually terminative. In this connection, the openness implemented by some countries that adopt a liberal press is certainly not interpreted in the same manner by the Indonesian press. Our national press believes in expanding the positive interaction between the government and the people.

Based on this understanding, it has always been stressed that the atmosphere of openness that has been developed over the last several years should not be abused. Such abuse can be found in the form of trying to develop a style of news reporting that gives priority to freedom rather than responsibility.

One of the characteristics of a liberal press is to spread antagonism, which usually leads to conflicts and competition between one agency and another and sets one official against another.

Lately, several observers and some board members of the PWI have anticipated that there is a lack of understanding about the openness policy by some newspaper journalists. This can be seen from the way their news reports are written. Among other things, it has been stressed that the atmosphere of openness that has been developed should not be polluted by a reporting style that projects a negative thinking [preceding two words in English] and totally ignores the principles of positive thinking [preceding two words in English]. It is within this context that we would like to underline President Suharto's warning in Lampung on Thursday, 9 June that the mass media is facing competition. He said action should be taken against such a style of news reporting because it will become a threat to national stability and finally disrupt the development process if it is allowed to continue.

Laos

Message Marks Anniversary of DPRK Relations

BK2406053794 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 24 Jun 94

[Text] Foreign Minister Somsavat Lengsavat sent a congratulatory message Today to Comrade Kim Yong-nam, deputy premier of the Administration Council and foreign affairs minister of the DPRK.

The message reads:

On the occasion of the 20th anniversary of the establishment of diplomatic relations between the LPDR [Lao People's Democratic Republic Government] and the DPRK, on behalf of the LPDR, its people, and myself, I would like to extend my warm congratulations and best wishes to you, comrade, and, through you, to the fraternal DPRK Government and people.

I am overwhelmingly elated to see that over the past 20 years, the relations of friendship, solidarity, and cooperation between our two countries have been continually consolidated and strengthened on the basis of the principle of respect for each other's independence, sovereignty, and territorial integrity; noninterference in each other's internal affairs; equality; and mutual benefits.

I firmly believe that the traditional fine relations between our two countries will develop continuously for the interests of our two peoples, thereby contributing to the cause of peace, stability, and cooperation in the region and the rest of the world.

On this majestic and glorious occasion, I wish the fraternal DPRK people success in building the socialist north and reunifying their country through peaceful means.

DPRK's Kim Yong-nam on Anniversary of Ties

BK2506153494 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 24 Jun 94

[Text] On the 20th anniversary of the establishment of diplomatic relations between the DPRK and the Lao People's Democratic Republic [LPDR], Kim Yong-nam, vice premier of the Administration Council and foreign affairs minister of the DPRK, sent a congratulatory message to Somsavat Lengsavat, LPDR foreign affairs minister.

The message reads:

In the past 20 years following the establishment of diplomatic relations, the relations of friendship and fraternal cooperation between our two countries have been smoothly developed and strengthened in political, economic, cultural, and other fields in the common interests of our two peoples. At present, the peoples of the two countries are firmly marching forward along the paths chosen by their countries. They remain (unwavering in the face of new changes) and are confident in their revolutions amidst the changing currents of history. I am confident that the relations of friendship and cooperation between our two

countries will be continuously developed and strengthened. I wish you greater achievements in performing your esteemed duties.

On the same occasion, the Korea-Laos Friendship Association also sent a congratulatory message to the Laos-Korea Friendship Association.

Philippine House Delegation Arrives for Visit

BK2706053794 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 26 Jun 94

[Text] At the invitation of His Excellency [H.E.] Saman Vi-gnaket, chairman of the National Assembly of the Lao People's Democratic Republic [LPDR], H.E. Jose De Venecia, speaker of the House of Representatives of the Republic of the Philippines, his wife, and delegation arrived in the capital, Vientiane, at noon today to pay a five-day official friendship visit to our country.

A grand welcoming ceremony for H.E. De Venecia, his wife, and party was held at the National Assembly Hall in Vientiane. Present at the ceremony were H.E. Saman Vi-gnaket, chairman of the National Assembly, and his wife; H.E. Khambou Sounisai, vice chairman of the National Assembly; chiefs of the National Assembly commissions; ministers and deputy ministers; members of the National Assembly; and a number of staff members of the office of the National Assembly.

After attending the official welcoming ceremony, H.E. De Venecia paid a courtesy call on and chatted with H.E. Saman Vi-gnaket, chairman of the LPDR National Assembly in an atmosphere of close intimacy.

Accompanying the high-level delegation of the House of Representatives of the Republic of the Philippines on the visit were H.E. Victor F. Ortega, H.E. Roque Ablan, and H.E. (?David A. Prace de Lean), members of the House of Representatives of the Republic of the Philippines; H.E. Rosalinda Tirona, ambassador of the Republic of the Philippines to the LPDR; H.E. (Burirat Namwat), secretary general of the AIPO [Asian Interparliamentary Organization]; Mrs. (Ma Thea Raza), director of the Southeast Asia Department of the Philippine Foreign Ministry; and a number of officials.

During their five-day visit to Laos, H.E. Jose De Venecia and his party will pay a courtesy call on LPDR President H.E. Nouhak Phoumsavan; lay a wreath at the Monument of the Revolutionary Combatants; and hold talks with H.E. Saman Vi-gnaket, chairman of the National Assembly, and his party. In addition, the Philippine guests will also visit Luang Prabang Province and several production establishments in the capital, Vientiane.

This afternoon, H.E. Jose De Venecia, his wife, and entourage visited the Mekong Friendship Bridge, the multiethnic cultural park, and the That Luang Pagoda. Tomorrow morning, after laying a wreath at the Monument of the Revolutionary Combatants, H.E. Jose De Venecia and his delegation will hold talks with H.E. Saman Vi-gnaket and party at the National Assembly Hall in Vientiane.

Deputy Prime Minister Addresses Geneva Meeting

BK2506094394 Vientiane KPL in English 0909 GMT 24 Jun 94

[Text] Vientiane, June 24 (KPL)—The major donors and international aid institutions heaped praise on the Lao government's recent economic performance yesterday at a UNDP [United Nations Development Program] round-table conference to launch a far-reaching aid programme which will carry over into the next century, said a UNDP information letter issued in Geneva on June 22.

According to the letter, singling out the success of Vientiane's fiscal and monetary reform plan (begun in 1986), which has achieved single digit inflation, a much reduced trade deficit, and control over foreign debt payments, the donors urged the Lao government to press on with the pace of economic change and aim for rapid development.

The Lao government, which was represented by Khamphoui Keoboulapha, deputy prime minister, announced that it would increase the rate of public investment to 14 per cent of GDP by 2000 in a bid to radically overhaul the country's poor infrastructure and prepare the economy for full-blooded regional integration.

As part of the Public Investment Programme (PIP) - which is to be backed by donors to the tune of up to U.S. dollars 1.4 billion - the Lao government will irrigate more than 50,000 hectares of unused land, plant 100,000 hectares of forest, and build 1,500 km of road.

In addition, a full-scale hydro-electric project is to go ahead which is planned to earn substantial foreign revenues through power export to Thailand and Vietnam, among other neighbours.

Donors agreed that the recent opening of the Mittaphap (Friendship) Bridge linking Laos to Thailand across the Mekong River along the growing tide of foreign investment pledges had all but guaranteed continuation of the country's healthy growth rates (7.5 per cent since 1989) for the next few years.

Among the congratulations for the boldness of the Lao reform programme, however, donors warned the Lao government that it should not base its plans on growth for the sake of growth but should work for a higher calibre of development.

It was also noted that least developed countries found it easier to achieve high growth rates than more sophisticated economies and that Laos had a particularly long way to go before its population could taste the fruits of a modern economy.

In his address to the donors, Deputy Prime Minister Khamphoui recognized that his country still suffered from poor social conditions: 'national income (less than U.S.

300) is still very low. Agricultural production is still dependent on the mercy of nature. Ethnic groups in the mountainous areas live on practising slash-and-burn cultivation—a practice that destroys forest areas of hundreds of thousands of hectares a year,' he said.

Along with a scheme to protect the environment, the government would invest significant donor-back sums to improve the country's education and health sectors, he said. Resources would also be channelled into a comprehensive training programme to modernize the workforce. And the government would strengthen its opium-eradication programme aiming to wipe out production of the drug by the year 2000.

The thrust, however, of the six-year reform and restructuring programme would be to develop Laos' market economy and diversify the country's rapidly growing export base. The Lao government and donors agreed that the country should build on its success in attracting foreign investment (U.S. dollars 126 million in 1993 and over U.S. dollars 500 million in pledges) by updating the country's commercial law system and rationalizing its tariff structure.

If the PIP fulfilled its ambitious targets—a plausible objective according to the experts at the meeting. Laos would be well on its way towards joining the prestigious club of newly industrialized countries in Asia by the end of the six-year programme. The Lao government and donors will meet again in two years to evaluate the trajectory of the reforms.

Tuesday's round-table conference was co-chaired by the deputy prime minister and by UNDP's acting director for Asia and the Pacific, Ms. Elena Martinez. Participants included Australia, Canada, Finland, France, Germany, Japan, Norway, Sweden, Switzerland, Thailand, the UK, the U.S.A., the Asian Development Bank, the European Commission, the International Fund for Agricultural Development, the OECD, the IMF, World Bank, FAO [UN Food and Agriculture Organization], UNCTAD [United Nations Conference on Trade and Development], UNDCP [expansion unknown], UNFPA [United Nations Fund for Population Activities], UNHCR, UNICEF, WFP [World Food Program], WHO, and the Swiss Red Cross.

Nouhak Phoumsavan Visits Bokeo Province

BK2506113694 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 Jun 94

[Text] Having been concerned about the well-being of multiethnic people, from 21 to 25 June Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], paid a visit to Bokeo Province.

During his stay in the province, the LPDR president was warmly welcomed by Soukan Mahalat, governor of the province, together with cadres, soldiers, policemen, intellectuals, retired cadres, and a large number of local residents. He also heard a report from the provincial leadership on certain special characteristics of the province in the past as well as in the present. The report noted that Bokeo is located in northern Laos and is composed of five districts comprising 36 cantons, 425 villages, 17,214 families, and a

population of 101,132. It possesses 6,018 hectares of plain ricefields and 8,854 hectares of upland. The average annual paddy production is 340 kilo per person. In the 1993-94 fiscal year, the province has earned 1.03 billion kips for the national budget.

At the same time, President Nouhak Phoumsavan also met with and talked to cadres, soldiers, policemen, intellectuals, retired cadres, and village-level administrative authorities in the provincial municipality. He told them that the party and state have always paid close attention to improving the living conditions of the multiethnic Lao people, especially those in remote areas. He urged and gave them much advice on how to earn their livelihood and develop and build their respective localities. He called on the local administrations and multiethnic people throughout the province to further enhance the tradition of perseverance, closely uniting around the party, and acting as a strong force contributing to executing the tasks of defending, building, and developing their own native land and vigorously defending and building the country along the party's comprehensive restructuring policy.

Thailand

Minister Concerned Over 'Stability' in Japan

BK2506135794 Bangkok Radio Thailand Network in Thai 1200 GMT 25 Jun 94

[Text] Deputy Prime Minister Suphachai Phanitchaphak said today that the resignation of Japanese Prime Minister Tsutomu Hata will affect every country because it will drive up the value of the yen. Suphachai said this while in Seoul as member of the prime minister's delegation. He said the impact on Thailand might not be great because the higher value of the yen will benefit Thai exports to Japan. However, frequent changes of government in Japan could change the Japanese policy of using Thailand as the base for entry into Indochinese countries, affecting its continuity.

[Begin recording] [Suphachai] Regarding frequent changes of government in Japan, we are concerned about a couple of points. First, the policy of using Thailand as the gateway to Indochina—to induce investment from Thailand to Indochina—has already changed three times, and we are concerned about its continuity. Second, we, and the prime minister himself, tried on several occasions to schedule a visit to Japan because there were several issues to discuss. Our trade deficit with Japan now totals no less than \$4 billion and Japan is a country with which we have a priority to solve trade problems. Our trade problem with Japan is just as big as with the United States. A visit which was postponed several times is not good for us. If Japanese economic growth continues as normal, opportunities for Thai goods will be quite good. Also, there is assistance which we seek from Japan on a few issues. For example, Japan is considering assistance in small and medium industries. There will be a meeting on this issue in October to organize assistance to our small and medium size industries, such as the spare part industry. [end recording]

Meanwhile, Foreign Minister Prasong Sunsiri said:

[Begin recording] [Prasong] If the resignation of the Hata government is true, contacts, particularly trade and so forth, will not halt but the hesitation and lack of confidence over stability in Japan will slow down everything. Trade and economic cooperation will continue unaffected, but confidence will be affected... [interrupted by correspondent, who is unheard]. The LDP [Liberal Democratic Party] has been the government party all along. Therefore, the party will again lead the government. It is a matter of who will become the party leader. [end recording]

Regarding the Japanese invitation for the prime minister to visit in September, the foreign minister said once an invitation is issued it becomes a commitment for the country regardless of whether the government is still in power.

Finance Minister Comments on Weak Dollar

BK2706111394 Bangkok Radio Thailand Network in Thai 0530 GMT 27 Jun 94

[Text] Finance Minister Tharin Nimmanheanin said the current fluctuation of major currencies should be temporary and that the situation would stabilize soon. In an interview with reporters at Government House this morning, the finance minister said the current appreciation of the baht is both good and bad for Thai exports.

[Begin recording] [Tharin] This is an ordinary realignment of international markets. The situation is being monitored by the Exchange Equalization Fund. There is a little fluctuation at foreign exchange markets, but we believe the situation would stabilize soon.

[Unidentified reporter] Will the stronger baht have an impact on our exports?

[Tharin] There is no big change at present. What has happened is an ordinary adjustment to global changes.

[Reporter] The dollar is said to have slipped very low, and there has been a call for the government not to peg the baht to the dollar. What is going to be done on this matter?

[Tharin] Our exchange system has the baht tied to a basket of currencies. Under this system, we tie the baht to foreign currencies and we use this as a medium of trade. This is the reason why the value of the baht has to be adjusted in accordance with realities. However, we rely heavily on U.S. dollars. Since the dollar has weakened slightly, the baht has become stronger compared to the dollar. But, compared to the yen and mark, the value of the baht has dropped slightly. Therefore, the current situation favors our exports to Japan and Europe. [End recording]

Paper Calls for Stability of Baht

BK2506120594 Bangkok THAI RAT in Thai 25 Jun 94 p 3

[Editorial: "Take Care of Baht Value"]

[Text] As the whole world is mesmerized by the ongoing world soccer tournament, a monetary crisis has suddenly broken out. The world's major currency, the U.S. dollar,

has plunged in value while Japanese yen has skyrocketed. On Wednesday, one dollar fetched only 99.85 yen, the lowest since the end of the World War II. The people in Japan and the United States are aghast.

This monetary incident is bad for both the United States and Japan. The U.S. Federal Reserve had to intervene in the New York financial market by buying more U.S. dollars to save the exchange rate from dropping. The Bank of Japan also made similar efforts. As for Japan, the stronger yen will obviously precipitate the problems because Japanese goods will be more expensive and will not be able to compete in any market.

The United States had to intervene in the financial market for fear of a further aggravation of its trade balance. Stock markets fell worldwide because it is anticipated that the United States will increase interest rates to prevent the further decline of the dollar and to arrest inflation. To a certain extent Thailand is also affected by a weaker dollar. One dollar which bought 25.16 baht is now only worth only 25.05 baht. On Wednesday, the Bank of Thailand had to work out certain measures to prevent the baht from appreciating.

Semifinished products and raw materials imported from Japan, Germany, and several other countries will become more expensive now. As a result of the new exchange rate, the price of Thai products will rise because we have to add in the risk-cost of the new rate. Although we use U.S. dollars as our medium of trade, we will have some difficulties in selling our products in foreign markets.

We appeal to the Bank of Thailand and the Thai Banking Association to urgently work out measures to prevent the baht from appreciating. We must not think that we can relax just because our baht is tied to a basket of currencies. The probability of the appreciation of the baht currency is always there despite its link with other currencies.

Several countries have now recognized our baht currency, while many people have called for the relaxation of restrictions on the release of baht loans in foreign countries. We must be extremely cautious and try to stabilize the value of our baht currency.

Chuan Returns, Says DPRK on ASEAN Agenda

BK2706030694 Bangkok THE NATION in English 27 Jun 94 p A5

[Text] An ASEAN meeting next month will discuss North Korea's refusal to let international inspectors into its nuclear plants, Prime Minister Chuan Likphai said yesterday.

Speaking to reporters upon arriving at Don Muang Airport from a visit to South Korea, Chuan said leaders of the ASEAN (Association of Southeast Nations) countries will convene a meeting next month and will discuss the issue.

Chuan he said the tension would ease now that South and North Korea had agreed in principle to conduct a meeting over the issue.

The United States has accused North Korea of using its nuclear programme to produce weapons, a charge Pyongyang has denied.

A growing international crisis over the nuclear programme eased after North Korea promised to halt the programme in return for a resumption of high-level talks with the United States.

On Friday, US Secretary of State Warren Christopher said a meeting between President Clinton and North Korean leader Kim Il-song was possible if North Korea's behaviour merits it.

General: Lack of Arms Curbs Cambodian Fighting
BK2606115794 Bangkok THE SUNDAY NATION in English 26 Jun 94 p A2

[Text] Large-scale battles between Cambodian government troops and Khmer Rouge guerrillas will be prevented because both sides will be starved of military aid, the First Army Commander Lt Gen Chettha Thanacharo said yesterday.

Chettha said he believed military aid would not be forthcoming because that would break the 1991 Paris Peace Accords on Cambodia.

"If any country wants to give arms support, it will have to think twice. But I don't think that will happen and therefore the warring in Cambodia will come to a halt," he said.

Chettha said the collapse of peace talks between Phnom Penh and the Khmer Rouge was not a worry for Thailand.

However, some people might be affected if fighting spilled across the border into Thailand.

Agreement Reached on Setting Up Forex Forum
BK2406095194 Bangkok Radio Thailand Network in English 0000 GMT 24 Jun 94

[Text] Thailand, Indonesia, Malaysia, and Singapore have agreed to set up Foreign Exchange (Forex) Southeast Asia Forum, to jointly develop new financial knowledge and technology. The four countries will sign a memorandum of understanding and a document of establishment tomorrow in Bangkok.

Executive Vice President of the Krung Thai Bank Public Company Suwit Udomsap, in his capacity as president of the Thai Forex Club, says the main purpose of the forum is to develop new financial instruments in the ASEAN region and to support the dissemination of knowledge to foreign exchange management. Activities have been jointly carried out and classified into three major areas, namely education and training development in new financial instruments, and the exchange of information on the development of financial market and regulations. The Philippines is expected to join the Forex Southeast Asia Forum later. The forum would expand its future role to cover Indochina.

After the signing of the memorandum of understanding and a document of establishment, the Malaysian Forex Club

will host the first meeting of the forum in Kuching, Sarawak, during August 26 to 28, 1994.

Burmese Students Warned Against Protest

BK2706075994 Bangkok THE NATION in English 27 Jun 94 p A5

[Wina Chanrung and Marisa Chimprapha]

[Text] The National Security Council (NSC) has again warned Burmese students if they attempt to protest against Burma's participation in the Asean meeting next month they will face apprehension and tough legal action.

NSC deputy chief Khachatphai Burutphat said the government has allowed the Burmese students to stay here on the condition that they do not use Thailand as a base for staging political moves against the Burmese government.

"We will regard them as illegal immigrants and arrest them if they stage a protest against the presence of Burma at the Asean conference in July," he said.

Khachatphai was responding to a report that Burmese students living along the border and at Maniloi holding centre in Ratchaburi province planned to organize a rally in front of the Bangkok hotel where the Asean meeting takes place on July 23-28.

A high-ranking official in the Interior Ministry recently confirmed the ministry had been informed of the planned protest by Burmese at the holding centre who disagreed with the move.

The official, who asked not to be named, said Burmese along the border had telephoned their friends at Maniloi and urged them to join the rally.

"However there is a group of the students who disagree and they told the centre's chief about it," he said. The government opened the camp for the Burmese last year, but only about 200 of the 516 granted student-in-exile status have entered the camp.

The official said the ministry had information that some Burmese students planned to sneak from the camp to join the protest in Bangkok. Students living in the camp can take leave for a few days with consent of the camp head.

Rangoon's Foreign Minister, U Ohn Gyaw, will represent Burma at the meeting as guest of Thailand, the host country this year. The invitation has drawn strong criticism from several groups as Burma is still governed by the military.

The junta, officially the State Law and Order Restoration Council, has detained opposition leader Aung San Suu Kyi since 1989 and refused to hand over administrative power to the political party which won the 1990 elections.

"Thailand has already been accused of supporting Burma's anti-government movement by allowing the Burmese students stay here. However, we will not stand by idly if they use the country as a base for launching political activities," said Khachatphai.

The Maniloi camp chief would be instructed to restrict movement out of the camp before and during the Asean conference.

Tight security would also be provided for the ministers attending the Asean forum, including the Burmese minister, he added.

Deputy Permanent Secretary to Interior Chaloe Phromloet has also warned the Burmese they would be arrested and their student status revoked if they joined the protest.

They would then be charged as illegal immigrants, interrogated and given the choice of being deported back to Burma or entering the Maniloi holding centre.

"I don't really understand why the Burmese students would stage a protest as the Burmese minister, as guest of the host, will not participate in the full meeting. He will only attend certain functions," said Chaloe.

Businessmen Host Reception for PRC Official

BK2706111194 Bangkok XING XIAN RIBAO in Chinese 27 Jan 94 p 10

[Excerpt] The Thai-Chinese Chamber of Commerce [TCCC] warmly welcomed Li Zibin, Chinese Vice Minister of Chemical Industry, and his delegation at 1700 on 23 June. Among the TCCC leaders who attended the reception were TCCC Chairman Zheng Mingru, TCCC Secretary Li Jiannan, Vice Secretary Xu Jianshen, Treasurer Chen Qingbo, and other executive committee members. Members of the Chinese chemical delegation include Sheng Kuntian, Wang Youhai, Jiao Haikun, Zhu Chihou, Wang Jianzhi, Guo Limin, Xiong Ruyun, Sun Dongliang, Zhang Dejie, Xing Bugao, Li Pixi, and Liu Li.

Vice Minister Li Zibin thanked the TCCC leaders for the warm reception. He said that he felt very happy for having this chance to visit Thailand. The State Science and Technology Commission of China and the Ministry of Chemical Industry of China are jointly holding a China Chemical Industry Fair in Bangkok. The exhibition is aimed at enhancing mutual understanding between the two countries. Zheng Mingru welcomed the delegation on behalf of the TCCC. He said the chemical industry is very important. All trades and professions cannot develop without chemicals. The Chinese chemical industry is developing very fast. Ethnic Chinese hope China's economy will prosper. TCCC Chairman Zheng Mingru also hosted a banquet in honor of the delegation at Hangong Restaurant. [passage omitted]

Suspect in Plot Against Nepal Prince Released

BK2606115394 Bangkok THE SUNDAY POST in English 26 Jun 94 p 3

[Text] Special Branch Police have freed a Pakistani national, earlier suspected of involvement in a plot to harm the Nepalese crown prince.

Pakistani Embassy First Secretary Mushtaq Haider Rizvi said last night that Shakil Ahmad was freed without any charges lodged against him.

The man was handed over to the embassy on Friday by the Special Branch which said he was not involved in any plot and had done nothing wrong.

Mr Rizvi said Ammad was expected to fly home today.

Ahmad was apprehended at the Asian Institute of Technology [AIT] on Sunday evening after he and his friend, Mohammad Javed, tried to enter the campus.

Police Chief Prathin Santiphraphop quoted Ahmad as telling investigators he wanted to enter the AIT to use its telephone to make overseas call.

Javed fled in a pickup truck after AIT security guards asked to see the pair's passport.

Khlong Luang Police, who apprehended Ahmad, immediately handed him to the Special Branch for questioning on suspicion that he and Javed might have been trying to harm Nepalese Crown Prince Dhirendra Bir Bikram Shah who was taking a short geography course at the institute at the time.

The Nepalese and Pakistani embassies have denied there was any plot by Ahmad to harm Crown Prince Shah, who is on an official visit to Thailand after completing his studies at AIT.

Border To Reopen To Accept Cambodian Refugees

BK2506112394 Bangkok THE NATION in English 25 Jun 94 p A8

[Text] With hostilities between the Cambodian government and Khmer Rouge guerrillas intensifying, Thailand is to open a border check-point to allow temporary refuge to affected Cambodians, according to a spokesman of the Burapha Force.

Col Prayun Thamwongsa said neither side was sincere in wanting to solve the conflict and the June 16 negotiations failed because of their hardline positions.

Battles between the two factions have become more intense since the talks broke down, according to Prayun.

The battles in Cambodia's Banteay Meanchey province, near the Thai-Cambodian border, saw some bombs falling on Thai soil in Tambon Khlong Luk, Aranyaprathet District, Sa Kaeo Province. Residents of both Banteay Meanchey and Sa Kaeo province have been seriously affected by the battles.

Recently, the Banteay Meanchey governor, the commissioner of the Burapha Force, and a senior Cambodian militarist had met to discuss the plight of border residents affected by the fighting.

They agreed to allow Cambodians to temporarily enter Thai soil at Tambon Khlong Luk from July 1, according to Prayun.

However, the re-opening of the Klong Luk check-point for Cambodians was changed to June 30 because the Sa Kaeo governor would not be available to attend the check-point reopening ceremony on July 1.

The re-opening ceremony will be held at the middle of the friendship bridge in Tambon Klong Luk.

Prayun said officials of the two countries also agreed that each party would control its men from committing any offence on the other country's soil. Any party violating the accord would have to pay compensation.

In the meantime, Col Woranan Namwong, a representative of the Suranari Force, warned Thai people along the Thai-Cambodian border not to cross into Cambodian territory as they could become casualties of the fighting.

Prepayment To Decrease External Debt Service

*BK2706072694 Bangkok THE NATION in English
27 Jun 94 p B4*

[Text] The Finance Ministry plans to lower the external debt service to eight percent of the annual government expenditure budget through a debt prepayment of US\$210 million.

Last week, the U.S. dollar fell against the yen to less than 100 yen to US\$1, giving the ministry a good opportunity to prepay foreign debt. A source said at the end of this month, the ministry will make a prepayment on loans extended to national development projects many years ago. This payment amounts to US\$210 million, which carries an interest rate of 8.25 per cent. There are two portions: about US\$100 million in Japanese currency, US\$50 million in US dollars and the rest in other currencies.

The prepayment will spare Thailand from paying interest over the next 7-8 years. The ministry will use the fiscal reserve of about Bt[baht]200 million to make the prepayment.

The Finance Ministry has also sent a letter to the Asian Development Bank requesting permission to make a prepayment. Thailand currently owes ADB about US\$200 million.

The source said that external debt service currently amounts to more than 8 percent of the national expenditure budget.

Anti-Money Laundering Measures Studied

*BK2406095994 Bangkok SIAM POST in Thai
23 Jun 94 pp 17, 22*

[Text] Bangkok—The Money Laundering Law Drafting Committee revealed the increase in money laundering through the stock market. Money launderers are reported to have purchased stocks to take over businesses. Such a practice is prevalent in foreign countries and is now spreading in the Thai stock market. Preventive measures are being worked out to authorize the information management committee to examine financial records of possible launderers and keep track of stock transactions.

Wiraphong Bunyophat, director of the Economic Crime Information Center and a member of the Money Laundering Law Drafting Committee, disclosed that a seminar

on financial institutes' perception of money laundering law will be held at the Faculty of Law of Chulalongkorn University on 29 June.

The seminar will hear views and comments on the legislation from various financial institutes such as the Securities Exchange of Thailand, Office of Securities Exchange Commission, commercial banks, and central bank.

At the initial stage, the money laundering law will focus only on the money earned from narcotic trafficking to ensure its quick passage. It will take time if the law will be designed to deal with incomes from other illicit activities. In most cases, money launderers will deposit their money in different banks under the names of different persons which makes it difficult for official examination.

The committee, therefore, proposed the change in the regulations governing opening of bank accounts so that depositors are required to show their citizen identification cards and evidence to prove that the money is theirs. Meanwhile, most commercial banks are very cooperative with authorities in checking deposit accounts. However, a specific law is needed to facilitate the operation.

It is rather difficult to launder dirty money through the national bank because the latter has an effective examination system.

The stock market is the second place after commercial banks for money laundering. More launderers are believed to turn to the stock market to launder their money. As more companies become public companies, money launderers can buy as much stock as they want. In some cases, they even take over businesses.

Wiraphong noted: "Such a practice is prevalent in foreign countries, where dirty money is used to buy public companies in the stock market. This is now taking place on the Thai stock market, so preventive measures must be worked out."

Commenting on the preventive measures, Wiraphong said that the procedure now being used by commercial banks might be applicable. For instance, stock buyers and sellers are required to open accounts, and the committee is authorized to check their financial status at various financial institutes. No one is allowed to open an account on behalf of others.

In this regard, Pricha Suwannathat is working on the clause on the prevention of money laundering through financial institutes.

So far, the money laundering through stock buying and selling is being widely practiced in the northern part of Thailand. Money earned from narcotics trafficking is used to buy stocks at trading floors in the northern provinces. There is no law permitting the authorities to examine the source of the money.

Daily Promotes Merits of Money Laundering Law

BK2706130594 Bangkok KRUNGTHEP THURAKIT in Thai 27 Jun 94 p 2

[Text] The Journalists Association of Thailand last month organized a seminar entitled: "Thailand and a Money Laundering Law." Speaking at the seminar were Police General Chawalit Yotmani, secretary general of the Office of the Narcotics Control Board; Pricha Suwannathat, MP from Bangkok; Chatchai Sutthikrom, director of the Assets Examination Division of the Anticorruption Committee; and Dr. Bandit Nitthawon, deputy director of the Technical Department of the Bank of Thailand.

The seminar, designed to find legal measures to facilitate suppression of international narcotics trafficking syndicates, was motivated by the legal charge by the U.S. Government against Thanong Siriprichaphong, a former MP of the Chat Thai Party from Nakhon Phanom Province, for his alleged involvement in international drug trafficking. However, Thailand has no law or any evidence to prosecute the accused.

Without a law against money laundering, narcotics prevention and suppression works in Thailand are fruitless. Authorities are unable to trace sources of dirty money or money earned through illicit means. Dirty money, especially drug money, is purified and legalized after it has passed through the hands of financial institutions. Authorities can never confiscate it or take legal action against its owner.

Money laundering is defined as an act of purifying through financial institutions money that is earned from illegal activities. The money is used to invest in stock markets or other businesses to prove that it is legally earned. After the laundering process, authorities cannot confiscate it or use it as evidence against its owner.

An attempt was once made in Thailand to pass a money laundering law in accordance with the Vienna Convention. The Office of the Narcotics Control Board, Police Department, Office of the Juridical Council, Office of the Supreme Attorney General, international organizations, and the U.S. Drug Enforcement Agency worked together to draft the legislation. However, the Bank of Thailand and several domestic financial institutions voiced their disagreement by saying that enforcement of an anti-money laundering law would constitute a violation of individual privacy and was against the secrecy law which prohibits commercial banks from releasing personal information about their clients.

But now the Bank of Thailand fully supports the passage of a money laundering law. Bandit Nitthawon, deputy director of the Technical Department, said that since Thailand is a financial hub, so it must adjust itself to meet world standards and enforce a money laundering prevention law. The law will also serve as a deterrence against all types of economic and political crimes and corruption.

An anti-money laundering law is, therefore, a measure to prosecute law violators. The law will enable authorities to trace the origins of dirty money and gather evidence to prosecute its owner.

Without a money laundering law, authorities will encounter enormous difficulties in filing criminal cases because they do not have evidence, nor can they use the illegally-earned money as evidence.

The anti-money laundering law to be promulgated by the government must cover money from not only drug trafficking, but also other unscrupulous activities such as stock manipulation, weapons and contraband trade, and corruption.

Moreover, financial institutions must be obliged by the law to keep authorities informed about accounts of their clients when amounts of money reach a fixed level. They are also required to keep records of the real and family names of depositors and notify agencies concerned about any suspicious transactions of money made by their clients so that authorities can take appropriate follow-up action.

Promulgation of an anti-money laundering law is certainly not detrimental to investment or the free monetary policy of the government. On the contrary, it will assist efforts to turn our country into the financial hub of the region. It is beneficial in the long run because it can be used as a tool to trace the origins of illegally-earned money. Therefore, the government must expedite passage of this law in order to suppress wrongdoers.

Editorial Says Country Not Prepared for Growth

BK2606124594 Bangkok THE SUNDAY NATION in English 26 Jun 94 p A8

[Editorial: "Thailand and Growth: Luck Will Run Out Soon"]

[Text] East Asian economic growth has attracted a great deal of interest recently. Two top researchers at the Thailand Development Research Institute (TDRI) have concluded that Thailand is on a muddled path towards economic prosperity.

"Unlike other newly-industrialized countries in Asia, where governments helped repair market failures, Thailand has relied on the market to overcome government failures. This formula will no longer suffice, given technological, environmental and human resource challenges at hand," concluded TDRI's Scott Christensen and Amma Sayamwala.

The state is indeed struggling to keep up with the demands of a rapidly changing economy. The problems are too well apparent as the two researchers noted: "Even though Thailand has enjoyed some success, it is not well prepared for the next stage of industrialization. Its investments in secondary education and its output of technicians and engineers fall seriously short of the country's needs. Moreover,

the state is institutionally ill-equipped to assume the monitoring, enforcement, and social welfare functions for regulating an advanced industrial economy."

So what should we do?

State intervention?

The two researchers stopped short of advocating increased state intervention in the economy but called for more effective government action in those sectoral policy areas where the private sector will increasingly rely upon the government to act.

These policy areas include education, worker training, public health social welfare, monitoring and enforcing environmental and safety regulations and supporting and perhaps coordinating scientific research.

All these, they argue, do not need more active state intervention but rather more vision to make intelligent decisions, acquire a better information base and initiate better coordination between the private and public sectors.

In a parallel tone, Dr Olan Chaiprawat, president of Siam Commercial Bank and former top economist at the Bank of Thailand suggested that the government should make it a policy to create "national awareness" about technology upgrading, and build up skilled labour, in order for the country to compete more effectively in international markets.

The era of cheap labour is gone, Olan said. "National awareness should be made concrete... There may be tax incentives for the private sector to undertake manpower and on-the-job trainings," Olan said.

While consensus has emerged on the target areas, the speed to which the government is responding is slow and varies between ministries and agencies. Some are doing better than others but an overall policy strategy and direction is still lacking on the part of the government.

Also, profound economic changes are taking place within the Asean region where there is now a high standard of living and a rapid process of industrialization. However, uneven development between and within nations persists and presents numerous contradictory economic problems that ultimately explain the extent of labour migration that is occurring within the region.

Thailand is both an exporter and importer of labour, but yet migration push and pull forces have yet to be fully addressed by the government. As the world enters the 21st century, it is inevitable that international labour migration flows will intensify within Asean itself.

Brain-drain phenomenon

While the government complains about the rapid brain-drain phenomenon in the country, especially among new engineering graduates, nothing is made to prevent them from leaving Thailand to take up lucrative offers from multi-national companies.

It is easy to urge Prime Minister Chuan Likphai to exert his leadership in order to create a more effective state. However, his performance in the past two years leaves much to be desired. Moreover he lacks a vision for Thailand in the 21st century unlike many of his counterparts in Asean. Perhaps, more pressure should be exerted on certain forward-looking ministers to take up this challenge.

Without doubt, Thailand must put its house in order first before it begins to pull its weight in the 21st century. If it fails to do so, sad to say within a few years it might not be able to keep pace with its vigorous neighbors.

Vietnam

Radio Reports on Upcoming Visit by Winston Lord

*BK2406115794 Hanoi Voice of Vietnam in English
1000 GMT 24 Jun 94*

[Text] The U.S. assistant secretary of state for Asian Pacific affairs, Mr. Winston Lord, will visit Vietnam from 1 to 4 July in a trip focussing on American soldiers missing-in-action [MIA] from the Vietnam War. Mr. Lord will be flanked by a delegation that was personally sent by President Bill Clinton in a bid to speed up the resolution of the MIA issue.

The two sides will discuss cooperation between Vietnam and the U.S. on efforts to resolve the MIA question as well as other problems with a view to promoting bilateral relations in the new situation.

Geographical Data on Paracels, Spratlys Cited

Part 1

*BK2406115994 Ho Chi Minh City SAIGON GIAI
PHONG in Vietnamese 2 Jun 94 p 3*

[Part 1 of unattributed article: "Vietnamese Seas and Islands"]

[Excerpt] [Passage omitted on geographical data on the Gulfs of Tonkin and Thailand]

The Hoang Sa [Paracel] and Truong Sa [Spratly] archipelagoes:

These two archipelagoes are located in the heart of the Eastern Sea. Since time immemorial, they have been habitually called by our people the Bai Cat Vang [Golden Sand Bank], the Hoang Sa or Van Ly Truong Sa Island. On their ancient maps, Western seafarers used to describe these two archipelagoes as the Paracels.

The two archipelagoes of Hoang Sa and Truong Sa are made up of many islets, underwater sand banks and rock formations, and coral reefs.

On Western seafarers' ancient maps, these two archipelagoes are symbolized by a triangular flag, that shows they are situated along our country's coastline. The flag has its head located at the same latitude as Danang and its tail at the same latitude as the lower part of the Nam Bo Delta.

For some centuries now, due to the growth of the maritime sector and based on the results of many marine topographical surveys, these archipelagoes have been divided into two separate groups with Hoang Sa archipelago in the north and Truong Sa in the south.

Both the Hoang Sa and Truong Sa archipelagoes are situated in a sea area rich in natural resources—marine life and mineral ores—where there are high prospects for oil and gas exploitation. These two archipelagoes, which have a commanding view of the international sea route linking the Pacific with the Indian Ocean and the Atlantic, are places where strategic bases can be set up to control various sea routes crisscrossing the Eastern Sea.

The Hoang Sa archipelago is made up of over 30 rock islets, coral atolls, and sand banks stretching out into an area which is approximately 100 nautical miles long and 85 nautical miles wide. With an area of some 15,000 square km, the archipelago is located at 15.45-17.15 degrees north latitude and 111-113 degrees east longitude, about 120 nautical miles from the Ly Son islet (also known as Cu Lao Re), 140 nautical miles from China's nearest island of Hainan, and 170 nautical miles from Danang.

Part 2

BK2406160494 Ho Chi Minh City SAIGON GIAI
PHONG in Vietnamese 3 Jun 94 p 3

[Part 2 of unattributed article: "Vietnamese Seas and Islands"]

[Excerpt] The Hoang Sa [Paracel] archipelago is divided into two groups: The eastern group is formed by several islets and coral atolls that rise above the sea. Of these, the Phu Lam and Linh Con [Lincoln] islets are the largest which, approximately 1.5 square km in diameter each, are covered with shrubs and surrounded by coral reefs and submarine rocks. The western group is made up of many islets, which are called the Croissant group because it has a horse-shoe shape and which includes the Hoang Sa, Huu Nhat, Quang Anh, Quang Hoa, Duy Mong, Chim Yen, Tri Ton, and so forth. With less than 1 square km in area, Hoang Sa is not the largest island on this archipelago. On Hoang Sa Island, now there still remain some traces of those facilities formerly built by the Japanese to exploit bird droppings and of a meteorological station which, operated by the Vietnamese authorities during the period 1938-1947, was recognized and given the codename 48-860 (The code number 48 indicates Vietnam area) by the International Meteorological Organization.

During the reign of the Nguyen Dynasty, the Hoang Sa archipelago was under the jurisdiction of the Quang Ngai provincial city, Quang Nam province. In 1938 the archipelago was placed under the jurisdiction of Thua Thien Province. In 1961 it was reorganized into Dong Hai village under Hoa Vang district of Quang Nam province. In 1982 our government decided to establish the Hoang Sa island district under Quang Nam-Danang province. Taking advantage of the time when our army and people were busy

with the overland battlefront, in 1974 China sent troops to seize our entire Hoang Sa archipelago.

The Truong Sa [Spratly] archipelago is located some 200 nautical miles to the south of the Hoang Sa [Paracel] archipelago. The archipelago, which is made up of over 100 islets, underwater sandbars, and coral reefs, stretching along a sea area of some 180,000 square km, is measured 325 nautical miles from east to west and 274 nautical miles from north to south and which is located at approximately 6.50-12.00 degrees north latitude and 111.20-117.20 degrees east longitude—some 240 nautical miles from Cam Ranh, 305 nautical miles from Vung Tau, and 595 nautical miles from the Chinese island of Hainan (counting from the Truong Sa islet)

The Truong Sa archipelago is divided into eight groups—namely Song Tu, Thi Tu, Loai Ta, Nam Yet, Sinh Ton, Truong Sa, Tham Hiem, and Binh Nguyen—with the Song Tu Tay islet being the tallest, about 4-6 meters above sea level and with Ba Dinh being the largest islet in the archipelago, about half a km wide. There are only some 20 islets [as published] in the archipelago with the remainder being underwater sandbars and coral reefs.

The natural conditions and the weather in this area are very tough. With its scarcity of fresh water and its unfertile soils that will not support trees, the area is frequently hit by scorching sunshine, strong winds, and typhoons. Many of the islets have no trees at all.

Taking advantage of the difficult situation in our country including those difficulties encountered in national reconstruction, some countries in the region have seized a number of islets and coral reefs of the Truong Sa archipelago, thus sparking a very complicated dispute with Vietnam over sovereignty. Presently, the Philippines occupied eight islets, Malaysia three, Taiwan one, and China six coral reefs. Vietnam has maintained its presence in and is defending 21 islets and coral reefs in the Truong Sa archipelago. [passage omitted on geographical data of other offshore islands of Vietnam]

Army Political Department Delegation Visits PRC
BK2706155494 Hanoi VNA in English 1417 GMT 27
Jun 94

[Text] Hanoi VNA June 27—A delegation of the Political Department of the Vietnam People's Army visited China from June 27, at the invitation of the Political Department of the Chinese People's Liberation Army.

The delegation is led by Sr. Lt. General Le Kha Phieu, Politburo member of the Communist Party of Vietnam Central Committee and head of the Political Department.

Defense Ministry Delegation Visits France
BK2706160094 Hanoi VNA in English 1417 GMT 27
Jun 94

[Text] Hanoi VNA June 27—A delegation of the Defence Ministry of Vietnam led by its Deputy Minister Major Lieutenant General Nguyen Thoi Bung, has paid a 6-day visit to France.

While there, the Vietnamese military delegation was received by advisor to the French defence minister Mr. Arreau and General Staff of the France intertroop. Senior Lieut. Gen. J. Rannou, during the meetings, the two sides expressed their wish to further promote the contacts between the two ministries and build the cooperative relations in the field of national defence between the two countries. [paragraph as received]

The Vietnamese delegation also visited an exhibition on national defence technology, entitled Eurosatory '94 and a number of establishments specializing in manufacture of military equipment.

National Committee for Economic Cooperation

*BK2706091194 Hanoi Voice of Vietnam in English
1000 GMT 25 Jun 94*

[Text] The Vietnamese Government has approved the formation of the National Committee for Economic Cooperation in the Pacific to be headed by President of the Vietnam Chairman of Commerce and Industry Mr. Doan Duy Thanh.

The committee will participate in activities of the Pacific Economic Cooperation Council.

Vo Van Kiet Gives Assembly Speech

First Part

*BK2506145794 Hanoi Voice of Vietnam Network in
Vietnamese 2300 GMT 23 Jun 94*

[First part of Prime Minister Vo Van Kiet's speech at the conclusion of Ninth National Assembly's Fifth Session in Hanoi on 23 June—announcer read]

[Text] First, on behalf of the government, I welcome the results of this National Assembly session with the passing of important laws that will have great significance and influence on our renovation undertaking.

For its part, the government will closely coordinate with the related sectors under the National Assembly Standing Committee's supervision to quickly promulgate the bylaws so that the newly adopted laws can become effective early. Together with its main duty, that is legislative work, the National Assembly also devoted time to discussing the government report on the implementation of socioeconomic duties in the first six months of 1994 and on measures to accomplish all the socioeconomic duties in 1994.

Authorized by the party and state, I recently led our government delegation for an official working visit to the Ukraine, Kazakhstan, and the Russian Federation. Therefore, I could not attend the National Assembly debate directly. However, since my return, I have received briefings on the debate.

All National Assembly deputies expressed their interest in the government report evaluating the socioeconomic development in the first six months and on major issues that

need particular management attention in the last six months. The government is really taking the opinions contributed by the deputies into account. It considers these opinions a foundation for its guidelines and operations in the last six months. Now, I would like to further present and emphasize some issues so as to complete the duties for 1994 and to prepare for the following year:

1. The duty to concentrate all efforts on achieving all the socioeconomic targets set forth for 1994.

As the government has reported earlier to the National Assembly, 1994 plays an especially important role. This is the year when a new period of socioeconomic development begins in our country. While continuing to take care of our economic, social, and political stabilization, in 1994 we now enjoy the necessary conditions to accelerate socioeconomic development and settle social issues, thus creating foundation for the socioeconomic consolidation and the strengthening of our national defense and security. This can help our country extricate itself from the socioeconomic crisis and enter into a period of stabilized and firm development.

The tasks for the last six months of the year are very great. The report presented by Deputy Prime Minister Phan Van Khai at the opening session of the National Assembly pointed out six types of difficult problems where concentrated efforts are needed for a resolution.

I would like to further emphasize that apart from attaining the various requirements for 1994, the implementation of various tasks in the last six months of this year will also have a great effect on the following year. The implementation of these tasks requires great effort by the various sectors and echelons from the central down to grass-roots levels. In the period ahead, the government will hold meetings with various provincial and city people's committees of all the three regions—namely, the south, the central highlands, and the north—to review the problems encountered by various regions. This is to determine more substantive measures with which to resolve the difficult issues now encountered by each region. The government will strive to promptly promulgate various bylaws to provide guidance for the enforcement of the laws already passed by the National Assembly at this session. At the same time, we will also reexamine and continue to supplement and perfect the current system, structure and policies. This will involve a large amount of difficult work. Now, I would like to move on to concrete issues.

2. The state budget, credit sources for infrastructure construction, and inflation.

Currently, the state budget, credit, and investment situation is severe.

A. State budget.

The balancing of the state budget is a pressing issue at present. We must execute following measures:

—We must use all measures to increase state revenue. These measures must be based on the development of

our economy. All policies on revenue collection must be fully implemented. We must fight against revenue loss and smuggling. The prices of some goods must be adjusted. Especially, revenues collected from the transfer of the rights on land usage, house sale, and renting of government housing must be channeled to the state budget.

—To conform with the National Assembly resolution, the government has carried out the frugality plan. Now, nearly 50 ministries and central organs and 20 provinces and cities have registered to practice thrift in a common effort to save 2,000 billion dong. The government requests the remaining sectors and localities to quickly establish their long overdue frugality plan.

However, it is necessary to stress that the entire revenue and savings from all sectors and localities must be used to compensate overspending in the budget which had already been approved by the National Assembly. The money must not be used for other purposes. Therefore, the current mechanism for the handling of the state budget must be adjusted. All ministries and localities are only allowed to spend according to their approved plans. New expenditure on national defense, security, village and subward cadres, and on people who have rendered meritorious service to the nation must be kept within the reservation limits in their budget plans.

B. Infrastructure investment.

We need more investment to obtain a high level of economic development, better economic structures, and gradually carry out national industrialization and modernization. It is predicted that investment nationwide will reach about 40,000 billion dong in 1994. Direct foreign investment and private investment may reach the estimated levels, but state investment through the state budget and banking credit is still too little. Therefore, it is necessary to reexamine all infrastructure construction projects. If they have not completed all the building requirements and not ready for the construction, they should be canceled. For projects that are under construction, if it is possible, their investment should be reduced and their work slowed down. New projects, if possible, will also need to be delayed.

The procedure for construction, verification, payment, and finalization must be closely controlled. The prime minister has issued Decision No. 92 on the restoration of order in infrastructure construction and on the practice of thrift. He will continue to amend and perfect more documents on construction. It is suggested that the National Assembly deputies, depending on their work areas, organize, motivate, and check the execution of those instructions.

Business enterprises will be allowed to issue credit notes and shares and obtain foreign loans according to government regulations to maximize capital resources for construction, especially for the renewal of equipment and technology. The approval of the Law on the Promotion of Domestic Investment will certainly encourage all economic sectors to engage in more business and production investment from 1995.

C. Fight against inflation.

Despite no major price fluctuations in months, prices in the first five months of 1994 increased by six percent compared to the end of 1993. It is going to be difficult to keep price increases to less than 10 percent for the whole year as we do not allow the price of agricultural products to be decreased to avoid affecting a majority of the peasants. It is necessary to adjust the prices of some materials reasonably and improve the supply and demand relationship. Some commodities suffering from unbalanced supply and demand such as cement, sugar, and cotton will have sudden price changes if they are not handled correctly.

The unbalanced state budget and lack of credit sources, if not correctly settled, will cause inflation. Therefore, it is necessary to improve goods production and circulation. At the same time, we must be vigilant in regulating monetary circulation. We must balance supply and demand to keep inflation in single digits and avoid sudden changes to the prices of goods, services, gold, and U.S. dollar exchange rates.

Last Part

BK2506150594 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 24 Jun 94

[Last part of Prime Minister Vo Van Kiet's speech at the conclusion of the Ninth National Assembly's fifth session in Hanoi on 23 June—read by announcer]

[Text] 3. Efforts to improve administrative procedures.

Recently, the Government made public Resolution No. 38 on improving administrative procedures a step further. The resolution focuses on a number of domains that cause inconvenience as well as loss of time and money, hurt the people's feelings, and lead to serious negativism. This is a breakthrough in the national administrative reform program. Therefore, the people welcome the move and hope that effective measures will be taken to implement it.

Initial research results from Hanoi Municipality and Ho Chi Minh City indicate that because administrative procedures pose a troublesome problem, citizens earnestly hope that urgent measures will be taken to improve them. Let me mention a number of examples. In Ho Chi Minh City, the establishment of a private business organization requires 32 types of documents and 53 signatures and a waiting period lasting at least from six months to a whole year. The application for an investment permit must go through 13 steps and often takes two years to complete. Some cases even take four years. In Hanoi, motorcycle registration requires as many as 54 types of documents. The re-registration of a state business establishment under Decree 388 costs as much as 30 or even 100 million dong.

The government resolution on improving administrative procedures has put forth adequate measures to organize practical implementation. It is the government's policy to adopt urgent and resolute measures to achieve at all costs the goal of effecting a breakthrough in the working relations

and ways of handling affairs between state agencies themselves, between state agencies and other units, and between state agencies and citizens.

Therefore, ministries, sectors, administrative organs at all levels, and state agencies are requested to carry out this important resolution very seriously and regard its implementation as a key task. Let National Assembly deputies contribute suggestions and see to it that administrative organs at all levels, state agencies, and civil servants implement this resolution seriously. In cases where National Assembly deputies also work as managers, more serious measures should be taken to implement this resolution.

4. Order and discipline in state management.

To reach socioeconomic goals, one must necessarily mention the need for order and discipline in state management. Regrettably, there are indications of lack of serious order and discipline in state management and of deliberate attempts to act at variance with the law. I want to stress the most evident cases of failure to seriously implement regulations on fighting corruption, smuggling, and wasteful spending. Let me mention a number of examples. The government has issued very strict regulations on timber exports. Nonetheless, there is no indications that illegal timber exports have ended. A number of provincial people's committees has legalized hundreds of smuggled cars or reduced tax rates at their convenience. Other provincial people's committees have claimed that their cars should be dutyfree because they are gifts. Actually, this is nothing but an attempt to buy cars and resell them for a profit. In some provinces, customs officials have fixed motorcycle import fees at their convenience and collected hundreds of millions of dong for their agencies. Some provinces have granted import licenses for explosives at their convenience. Dozens of state-operated corporations have imported motorcycles before applying for licenses, and so forth.

It is necessary to bear in mind that whatever the motives and even if such moves are part of collective policies, heads of the sectors concerned and chairpersons of provincial people's committees must bear responsibility before the government and the prime minister of the government for violations against the law.

Because our legal system is not perfect, continued efforts are being made to supplement and develop it. It is not correct to say that we have no law at all. It is worth noting that regarding the legal system currently in effect, many sectors and localities still fail to comply with it in a serious manner.

It is necessary to stress again that heads of sectors and chairpersons of local people's committees must bear responsibility before upper echelons for the observance of law and for the restoration of order and discipline in the sectors and localities under their charge. First of all, it is necessary to implement very seriously regulations on finance, the use of capital, and expenditure. Agencies and units must discover corruption and smuggling cases on a voluntary basis. They must also inform organs of control and inspection of those cases so they can probe into

wrongdoings and take punitive measures, including action specified under the criminal code. It is prohibited to retain cases of violations for internal action because such a move will lead to injustice and cause indignation among the masses.

Law enforcement agencies must step up inspection and supervision. This applies first of all to the inspection system. Immediate arrangements must be made to carry out inspection in the sector and locality under one's charge. It is necessary to achieve close coordination among agencies to ensure serious implementation of laws and regulations without inconveniencing or affecting production and business operations.

May I suggest that our National Assembly deputies step up management and supervision and, together with cadres and administrative organs, set a good example for other people to follow in observing law and in ensuring order and discipline.

The above is a number of tasks that I would like to stress one more time. May I suggest that National Assembly deputies, leaders of the front and mass organizations, and comrades in charge of sectors and administrative organs at all levels keep those tasks in mind and contribute to directing their implementation to guarantee success for our set socioeconomic development goals.

I would like to thank and wish our National Assembly deputies good health.

National Assembly Chairman Gives Closing Speech

BK2406135894 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Jun 94

[Speech by National Assembly Chairman Nong Duc Manh at the closing ceremony of the fifth session of the 23 June National Assembly in Hanoi—recorded]

[Summary] "After nearly a month of active work with a high sense of urgency in an democratic atmosphere and with high sense of responsibility to the people, the National Assembly has successfully completed its working plan for the fifth session. As it had been determined that the major task for this session was to be legislative work, the National Assembly reserved most of its time and energy for the consideration and approval of important laws, namely: the Labor Code; the Amended Law on the Organization of People's Councils and People's Committees; the Amended law on the Election of People's Councils and People's Committees; the Law on the Transfer of the Right of Land Use; the Law on Encouraging Domestic Investment; the Law Amending Some Provisions of the Military Obligation Law; the Law on Companies; and the Law on Private Business.

"The National Assembly also contributed suggestions to the draft civil code to help the compilation agency further its work before the National Assembly discusses this important code in the next session."

The National Assembly chairman then explained the significance of the newly passed laws against the background of the current renovation process. He urged the government and agencies concerned to issue relevant documents and directives to administer the enforcement of the new laws. He also urged the National Assembly deputies, government agencies, and mass organizations to step up their education campaigns to help people better understand and observe the state laws.

"In this session the National Assembly also passed an important resolution to ratify the United Nations' 1982 Convention on the Law of the Sea, to which we are a signatory. Through the ratification of the United Nations' 1982 Convention on the Law of the Sea, the Socialist Republic of Vietnam has demonstrated its determination to join with the world community in building a just legal order so as to encourage development and cooperation at sea. The SRV also affirms its sovereignty over various areas of internal water and territorial seas as well as its sovereignty and jurisdiction over areas of water adjoining the territorial seas, the exclusive economic zones, and the continental shelf of Vietnam on the basis of the stipulations of the convention and other principles of international law."

The National Assembly chairman also reported that during the session, the assembly discussed the government reports on various tasks, including the implementation of National Assembly resolutions in the first six months of 1994. He hailed the achievements recorded during the period, but pointed out that there is still a huge amount of work to do in strengthening the monetary system, attracting more income for the national budget, practicing thrift, solving unemployment, suppressing social vices, and so forth.

Concluding his speech, the National Assembly chairman urged people of all social strata to contribute to consolidating the national unity bloc by striving for excellence in their duties to record greater achievements in the period to come. He then thanked the party leaders, the government, the public media, and all voters for their support for the National Assembly in its fifth session.

Defense Ministry Confers Orders on Generals

BK2706090094 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 25 Jun 94

[Text] Authorized by the president of the Socialist Republic of Vietnam, the Ministry of National Defense yesterday, 25 June, held in Hanoi a solemn ceremony to confer the Ho Chi Minh Order on Lieutenant General Le Tu Dong and Lieutenant General Dang Kinh, aka Le Trung Truc; and the Independence Order first class on Lieutenant General Le Linh and Lieutenant General Do Quoc Tuan. The orders were awarded for their valuable contributions to the protection and construction of the fatherland.

Farmers Receive World Bank Loan

BK2606153394 Hanoi Voice of Vietnam in English 1000 GMT 24 Jun 94

[Text] The Vietnamese Agricultural Bank has been allowed by the World Bank to disburse 52 million U.S. dollar for the Vietnamese farmers. The amount is part of an agreement between the World Bank and the Vietnamese Agricultural Bank which will provide funding for 50,000 farmer households in eight provinces of Vietnam.

The money is spent mainly on developing rural economy and on the planting and processing of agricultural plants.

Australia

Gareth Evans Views Banning of Magazines

*BK2406093594 Melbourne Radio Australia in English
0500 GMT 24 Jun 94*

[Text] Australia says Indonesia's closure of three news magazines is a sign of a society in a state of transition. Australia's foreign minister, Gareth Evans, says Indonesia's Government is having to deal with the consequences of greater openness. Senator Evans said Australia must take a long-term view and build a relationship with Indonesia which will survive the current generation of leaders. Senator Evans said the prime minister, Paul Keating, would make a judgment when he visited Jakarta next week on the most productive way to convey the strong Australian and international perception about the ban.

[Begin Evans recording] I think we are seeing here simply a society in transition, which is more focussed on its internal difficulties and transition processes, the move to openness—the consequences of that is negative as perceived by the government as well as positive—rather than a society that is, at the moment in this respect, paying very much attention to anybody externally. [sentence as heard] It's to be hoped of course that, particularly with an internal reaction which was generated, and the extent to which political openness has already become a mainstream part of Indonesian society rather than [words indistinct] go on and it would be more of a matter, I think, that internal reaction would produce on the ground than any other overt external pressure. [sentence as heard] [end recording]

Treasurer Explains 'Herd Mentality' on US Dollar

*BK2606094694 Hong Kong AFP in English 0312 GMT
26 Jun 94*

[Text] SYDNEY, June 26 (AFP)—Canberra still has no intention of hiking official interest rates, although more banks are expected to increase housing loan rates amid expected further bond market chaos this week, Treasurer Ralph Willis said Sunday.

In a strong defence of his government's policy on interest rates, Willis said it would increase rates only when it saw the need, "which is when we see inflationary pressures emerging."

"We don't see that at the present time," he said in a television interview.

Willis expected other banks to follow the lead of the Advance Bank and Citibank, which announced late Friday they were immediately raising fixed-term home loan rates for new customers by 0.5 percent.

He said he also expected another sell-off on bond markets here Monday following upheaval on US markets Friday

when the US Federal Reserve spent three billion US dollars in a failed bid to prop up a collapsing US dollar.

The sell-off here last week had been driven largely by events overseas, particularly in the United States, and he expected what he described as "the herd mentality" to continue here Monday.

"Now that's not reflecting any view of the bond dealers or the fund managers about the inflationary situation in Australia," the treasurer added.

"It is reflecting quite clearly a view about what might happen to prices of bonds and trying to move to ensure that they are not left behind if prices fall further."

The financial markets, he said, had "enormous influence," the consequences of which Australia had to bear in a deregulated market.

"But that does not mean to say that we are necessarily forced then into a position of raising official rates."

It was important to the future of the Australian economy that the government was not pushed into increasing interest rates too soon, he added.

"If we wait too long then we will probably have to have a larger increase than would otherwise be the case if we moved earlier," he said.

"But we don't want to move too early either because it's just pointless doing that when there are no inflationary pressures there to offset," he added.

Asked about a predicted "tidal wave" of interest rates increases as early as Monday, Willis said while it was hoped there would not be a tidal wave, other banks might follow the lead and raise their fixed term rates.

But the rates, which had been increased already, were fixed rate mortgages which he said were a very small part of the overall mortgage market and the banks had raised them to cover the increased cost of borrowed funds.

He said people should not pay too much attention to reports that housing loan rates could increase by two percent in 12 months, but agreed there would be some upward movement in rates.

"We have been quite forthcoming about that, we have never denied that," he said. "It would be stupid of us to do so because monetary policy is an important arm of the government's policy for controlling inflation."

"Over the course of a cycle as inflationary conditions develop you have to use monetary and fiscal policy to keep those inflationary pressures at bay," he said.

But he described this as "a small price to pay" for continued economic recovery which would not be stymied by high inflation.

